America as we have done for the other nations of the earth.

I have recently seen a little book called the Fifth Plate. This book has recently pointed out that for every four persons who sat down to a meal in 1950, there will be a fifth plate at the table in 1975.

On present estimates, by 1975 there will be 38 million more mouths which will have to be fed in this country. We have always been a rich and productive agricultural Nation, but who can foretell what will happen if we should allow the condition of agriculture to deteriorate as a result of indifferent or hostile attitudes. There would be danger that farming will become so unattractive as an occupation that not enough of our people will be willing to stay on the land to conserve and develop this precious resource.

This is a most harsh thought to me, Mr. President, but lest it be considered frivolous, may I remind Senators that there are many countries in the world today in which such events have come to pass.

Mr. President, the farmers are going to insist that the President and the Congress keep their pledged word. Those who break their promises will not be reelected.

The Eisenhower-Benson flexible price-support program is no program at all. It is little better than a mirage to deceive the vision. It is like leaning upon a rubber cane or chasing after moonbeams.

Farmers are down to earth and straightforward with their thinking. When they build a floor upon their home, it will bear the weight of a human body for more than 100 years. Most farmers are devoutly religious; they believe in constructing a building after the concept of the Sermon on the Mount, in which our Saviour referred to the man who built his home on a rock rather than on the sand.

Farmers do not want their program constructed on sand. That is all the Eisenhower-Benson program offers us today. It amounts to no more than the breach of one promise in the hope that some flimsy half-hearted fulfillment of a lesser promise will be offered in the future.

Too many cattlemen have gone broke already. We have had enough of this foolish talk about driving the doctors and dentists out of the cattle business. The doctors and dentists are the only ones who could afford to stay in it. Let us hear no more of this suggestion that bankruptcy for agriculture today will bring riches in the future for those who can survive the crash.

Let us do for the farmers what we promised when we ran for office. Then let us adopt a national policy based upon plentiful food for all Americans and a foreign policy that will permit others through legitimate trade to share in the vast abundance that a merciful Creator bestowed upon America.

RECESS

Mr. LONG. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 12 o'clock noon Monday next.

The motion was agreed to; and (at 7 o'clock and 8 minutes p. m.) the Senate took a recess until Monday, August 9, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 7 (legislative day of August 5), 1954:

UNITED STATES PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service:

I. FOR APPOINTMENT, EFFECTIVE DATE OF ACCEPTANCE

To be senior surgeons

Joseph H. Gerber
Donald S. Martin
Arthur S. Osborne

To be surgeons

Shih Lu Chang
Walter C. Clowers
Robert C. Lam

To be senior dental surgeon

Toyo Shimizu

To be sanitary engineer

Frederick K. Erickson.

To be senior scientist

Malcolm S. Ferguson.

To be scientists

Hewitt G. Fletcher, Jr.
Max M. Levin

To be senior veterinarian

Frank A. Todd

To be veterinarian

Robert D. Courter

To be nurse officers

Josephine T. Krok
Anne H. MacNeill

CONFIRMATIONS

Executive nominations confirmed by the Senate August 7 (legislative day of August 5), 1954:

UNITED NATIONS

The following-named persons to be representatives of the United States of America to the ninth session of the General Assembly of the United Nations, to serve no longer than December 31, 1954:

Henry Cabot Lodge, Jr., of Massachusetts.
H. Alexander Smith, of New Jersey.
J. W. Fulbright, of Arkansas.
C. D. Jackson, of New York.
Charles H. Mahoney, of Michigan.

The following-named persons to be alternate representatives of the United States of America to the ninth session of the General Assembly of the United Nations, to serve no longer than December 31, 1954:

Roger W. Straus, of New York.
James J. Wadsworth, of New York.
Mrs. Oswald B. Lord, of New York.
Ade M. Johnson, of Washington.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

James Bradshaw Mintener, of Minnesota, to be Assistant Secretary of Health, Education, and Welfare.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Martin W. Oettershagen, of Illinois, to be Deputy Administrator of the St. Lawrence Seaway Development Corporation.

COLLECTOR OF CUSTOMS

Philip A. Hoghaug, of North Dakota, to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak.

SENATE

MONDAY, AUGUST 9, 1954

(Legislative day of Thursday, August 5, 1954)

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

Rev. F. Norman Van Brunt, associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

We would ever turn to Thee, our Father God, to confirm our faith, renew our hope, and increase our love. In the world of markets and machines, we are drained of our inner resources, but always in turning to Thee we find the spring of living water which restores us. So in the moments of this new day, we pray that Thou wilt keep our souls alive with vision, our minds alert with wisdom, and our hearts aglow with goodness in order that we might be equal to any event or exigency which confronts us on our path.

Hear this our prayer in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. SALTONSTALL, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, August 7, 1954, was dispensed with.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, August 9, 1954, the President had approved and signed the following acts:

S. 2371. An act to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, and for other purposes; and

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.

CALL OF THE ROLL

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

The ACTING PRESIDENT pro tempore (Mr. PAYNE in the chair). The Secretary will call the roll.

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

Aiken	Ervin	Hickenlooper
Bowring	Fulbright	Ives
Carlson	George	Jenner
Clements	Gillette	Johnson, Colo.
Dirksen	Green	Johnson, Tex.
Dworshak	Hendrickson	Lennon

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mansfield	Pastore	Schoeppel
Maybank	Payne	Smith, N. J.
McClellan	Potter	Thye
Millikin	Robertson	Wiley
Murray	Russell	Young
Neely	Saltonstall	

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

The ACTING PRESIDENT pro tempore. A quorum is not present.

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

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BRICKER, Mr. BURKE, Mr. BUSH, Mr. BUTLER, Mr. BYRD, Mr. CAPEHART, Mr. CASE, Mr. CHAVEZ, Mr. COOPER, Mr. CORDON, Mr. CRIPPA, Mr. DANIEL, Mr. DOUGLAS, Mr. DUFF, Mr. EASTLAND, Mr. ELLENDER, Mr. FERGUSON, Mr. FREAR, Mr. GOLDWATER, Mr. GORE, Mr. HAYDEN, Mr. HENNINGS, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. KERR, Mr. KILGORE, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. PURTELL, Mr. REYNOLDS, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. UPTON, Mr. WATKINS, Mr. WELKER, and Mr. WILLIAMS entered the Chamber and answered to their names.

The ACTING PRESIDENT pro tempore. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

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

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

REPORT OF CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT—(H. DOC. NO. 489)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

Pursuant to the provisions of section 1102 of the Classification Act of 1949, I am transmitting herewith the report of the Civil Service Commission under that act for the period January 1, 1951, to June 30, 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 9, 1954.*

REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT—(H. DOC. NO. 490)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I transmit herewith for the information of the Congress, a report of the National Advisory Council on International Monetary and Financial Problems, submitted to me through its Chairman, covering the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development from April 1, 1952, to March 31, 1954, and the participation of the United States in the fund and the bank from October 1, 1953, to March 31, 1954. This report has been prepared in accordance with the requirements of sections 4 (b) (5) and 4 (b) (6) of the Bretton Woods Agreements Act.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 9, 1954.*

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 Acting President pro tempore:

S. 53. An act for the relief of Lewis Roland Edwards;

S. 65. An act for the relief of Joseph Flury Paluy;

S. 120. An act for the relief of Gerasimos Giannatos;

S. 231. An act for the relief of Otmar Sprah;

S. 233. An act for the relief of Jeno Cseplo;

S. 354. An act for the relief of Inger Larsson;

S. 384. An act for the relief of Robert H. Webster;

S. 431. An act for the relief of Joseph Di Pasquale;

S. 447. An act for the relief of Vasiliki Tountas (nee Vasiliki Georgion Karoumbali);

S. 670. An act for the relief of John Doyle Moclair;

S. 771. An act for the relief of Anni Wolf and her minor son;

S. 810. An act for the relief of Jan E. Tomczycki;

S. 914. An act for the relief of Mark Vainer;

S. 946. An act for the relief of Mona Lisbet Kofoed Nicolaisen, Leif Martin Borglum Nicolaisen, and Ian Alan Kofoed Nicolaisen;

S. 974. An act for the relief of certain Chinese children;

S. 992. An act for the relief of Apostolos Savvas Vassiliadis;

S. 997. An act for the relief of Chuan Lowe and his wife;

S. 1158. An act for the relief of Stayka Petrovich (Stajka Petrovic);

S. 1165. An act for the relief of Paul E. Rocke;

S. 1212. An act for the relief of Alice Masaryk;

S. 1216. An act for the relief of Karl L. von Schlieder;

S. 1321. An act for the relief of Michajlo Dzieczko;

S. 1434. An act for the relief of William B. Baker and Don P. Fankhauser;

S. 1520. An act for the relief of Andre Styka;

S. 1600. An act for the relief of Esther Saporta;

S. 1609. An act for the relief of Mrs. Robert Lee Slaughter, nee Elisa Ortiz Orat;

S. 1615. An act for the relief of Lt. Col. George P. Price;

S. 1634. An act for the relief of Alton Bramer;

S. 1702. An act for the relief of Emilia Pavan;

S. 1757. An act for the relief of Clair F. Bowman;

S. 1795. An act for the relief of Fred and Bernice Ehlers;

S. 1798. An act for the relief of Charles Peroulas;

S. 1858. An act for the relief of Sister Antonella Marie Gutterres (Thereza Maria Gutterres);

S. 1883. An act for the relief of Dr. Takeo Takano;

S. 1889. An act for the relief of Margot Goldschmidt;

S. 1902. An act for the relief of Theresa Elizabeth Leventer;

S. 1925. An act for the relief of Lt. Col. Carl E. Welchner, United States Air Force;

S. 1940. An act for the relief of Michela Aurucci;

S. 2067. An act for the relief of Anthony Benito Estella, Natividad Estella, Antonio Juan Estella, and Virginia Araceli Estella;

S. 2135. An act for the relief of Fernando A. Rubio, Jr.;

S. 2176. An act for the relief of Maly Braunstein and Aurelia Rappaport;

S. 2204. An act to provide that United States commissioners who are required to devote full time to the duties of the office may be allowed their necessary office expenses;

S. 2210. An act for the relief of Frank (Franz) Homolka, Olga Homolka (nee Mandel), Adolf Homolka, Helga Maria Homolka, and Frieda Homolka;

S. 2214. An act for the relief of Peter James Copses, Beatrice Copses, Victoria Copses, and James Peter Copses;

S. 2222. An act for the relief of Lucia Mezilgoglou;

S. 2240. A act for the relief of Mrs. Carl Dobratz;

S. 2257. An act for the relief of Luigi Cicchinelli;

S. 2287. An act for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer;

S. 2295. An act for the relief of Irma Mueller Koehler Cobban;

S. 2340. An act for the relief of Alphonsus Devlin;

S. 2363. An act for the relief of Dr. Mien Fa Tchou and his wife, Li Hoei Ming Tchou;

S. 2411. An act for the relief of Ruth Berndt;

S. 2448. An act for the relief of Frantisek Vyborny;

S. 2455. An act for the relief of Mrs. S. Eugene Lamb;

S. 2469. An act for the relief of Francisco Vasquez-Dopazo (Frank Vasquez);

S. 2493. An act for the relief of Ingeborg Bogner Johnson;

S. 2504. An act for the relief of Elisa Albertina Cioccio Rigazzi or Elisa Cioccio;

S. 2510. An act for the relief of Paul Lewerenz and Margareta Ehrhard Lewerenz;

S. 2512. An act for the relief of Jeannette Kalker and Abraham Benjamin Kalker;

S. 2542. An act for the relief of Glicerio M. Ebuna;

S. 2594. An act for the relief of Paolino Berchielli, his wife Leda, and daughter Alba;

S. 2607. An act for the relief of Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte);

S. 2635. An act for the relief of Nadeem Tannous and Mrs. Jamile Tannous;

S. 2745. An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes;

S. 2746. An act to provide for the termination of Federal supervision over the property of certain tribes and bands of Indians in western Oregon and the individual members thereof, and for other purposes;

S. 2823. An act for the relief of Joseph H. Hedmark, Jr.;

S. 3062. An act for the relief of the American Surety Company of New York and certain other surety companies;

S. 3126. An act for the relief of Waltraut Claassen;

S. 3306. An act for the relief of Kang Chay Won;

S. 3433. An act for the relief of Andreja Glusic;

S. 3514. An act for the relief of Mrs. Oveida Mohrke and her son Gerard Mohrke; and

H. R. 9077. An act to amend section 405 of the District of Columbia Law Enforcement Act of 1953, to make available to the judges of such District the psychiatric and psychological services provided for in such section.

PETITION

The ACTING PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the Legislature of the State of Louisiana, which was referred to the Committee on the Judiciary:

House Concurrent Resolution 28

Whereas the 82d Congress (2d sess.) after many years of careful study enacted the McCarran-Walter Immigration Act (Public Law 414) in 1952; and

Whereas this omnibus act represents the first comprehensive and integrated law on naturalization and immigration that this country has ever had; and

Whereas the McCarran-Walter Immigration Act has been and is being subjected to vicious Communist-inspired attacks by the Moscow press and radio, as well as the Daily Worker and other Communist-controlled newspapers published in the United States; which attacks are being supported and maintained by other organizations, groups, and individuals of known Communist-front origin or subject to question as to their American loyalty; all such attacks and propaganda urging repeal of the entire act; and

Whereas legislation has been introduced into the present Congress which would nullify or repeal the security safeguards and other protective measures of Public Law 414, including the national origins quota system, and supplant the present law with a policy of immigration by administrative regulation, thus subjecting our Nation to the manipulations and special interests of numerous political and minority pressure groups in this vital field of public safety and welfare: Now, therefore, be it

Resolved by the house of representatives and the senate of the 1954 regular session of the Louisiana Legislature, duly convened at Baton Rouge, La., That they do deplore the attacks being made on the McCarran-Walter Immigration Act and oppose any and all attempts now being made to repeal in toto said Public Law 414, or to materially weaken, destroy, or amend said law so as to change any of the following essential principles and safeguards of the present law:

(a) A thorough screening, especially of security risks.

(b) Exclusion of undesirable applicants for immigration.

(c) Deportation procedures to remove immigrant failures and subversives.

(d) A system of selective immigration within the national origins quota system, and geared to the needs of the United States; be it further

Resolved, That a copy of this resolution duly signed and certified be sent to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives of the State of Louisiana in the Congress of the United States, to the Attorney General of the United States, and to the United States Senate Judiciary Committee.

C. E. BARHAM,
Lieutenant Governor and President of the Senate.

C. C. AYCOCK,
Speaker of the House of Representatives.

Certified:

W. CLEGG COLE.

PUBLIC-WORKS PROGRAM FOR CITY OF MILWAUKEE, WIS.—RESOLUTION OF MILWAUKEE COMMON COUNCIL

Mr. WILEY. Mr. President, I have received today from the city clerk of Milwaukee a resolution which was adopted by the common council on July 27 dealing with a reserve program of public works. To the resolution is attached a listing of the numerous projects which the city of Milwaukee is considering and in which Federal participation is sought.

I present the resolution and ask unanimous consent that it be printed at this point in the RECORD and be thereafter appropriately referred to the Senate Public Works Committee.

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

Resolution relative to approving a list of projects for an emergency public-works program for the city of Milwaukee, urging the Federal Government to create a reserve of plans for future projects, and to appropriate funds to participate in the costs of construction in the event of an increase in unemployment or economic recession

Whereas the President of the United States has indicated his interest and desire to reduce the severity of any possible recession by appointing under his Council of Economic Advisers, a coordinator of public-works planning covering Federal, State, and local public-works projects; and

Whereas both Houses of Congress have approved the Housing Act of 1954 (H. R. 7839) containing provisions for interest-free public-works planning loans; and

Whereas the board of estimates has considered a statement and report concerning Federal financing of an emergency public-works program and advance-planning loans for the city of Milwaukee as prepared for it by a special committee appointed by his honor the mayor; and

Whereas this statement reads as follows:

"Unemployment in the Milwaukee area and in many other large cities of the Nation had increased during the past winter season to the point where methods of countering a reoccurrence of such increase should be undertaken. The problem is national in scope and, therefore, requires Federal action rather than State or local action alone to be effective.

"The construction industry enters significantly into the whole problem of the national economy. In boom times it tends to lead the business procession, and in a depression it usually falls the hardest and intensifies the recession.

"Public works ordinarily account for nearly one-third of all construction. A well-developed public-works program can contribute greatly to the stability of the construction industry.

"City property owners are already burdened with high property taxes and cannot be expected to bear the added cost of an intensified public-works construction program without material assistance from Federal sources.

"A program of advance planning loans to local units of government would encourage and enable local communities to prepare construction plans well in advance of planned physical construction.

"Acquisition of land is as much a part of the preliminary processes involved in public works planning as are other phases of the work. It is economically advantageous to purchase sites for many projects well in advance of actual construction during planning stages at something near its unimproved value. Such advance acquisition of land from loan funds would enable projects to get under construction quickly during any regular or emergency public-works program"; and

Whereas the attached list of projects which could be advanced for early construction under an emergency public-works program contemplated by the Federal Government, totaling $140,295,000, has been prepared by the capital-improvements committee and reviewed by the special committee and by the board of estimates: Therefore be it

Resolved by the Common Council of the City of Milwaukee, That the following statements properly reflect the opinion of this body relating to the responsibility of the Federal Government to prepare an emergency public-works program:

1. The Federal Government should prepare immediately a program of needed Federal public-works projects which can be constructed in urban areas where critical employment has already occurred or is imminent.

2. The Federal Government should encourage State and local governments to initiate programs of public-works construction which can be undertaken immediately, and during the next 2 or 3 year period with Federal participation in construction costs.

3. The Federal Government should provide a sufficient appropriation to make possible a 65-percent or 75-percent participations of such project in the costs of construction.

4. There be created a reserve of projects on which plans and specifications are in readiness for construction, and the Federal Government should provide an appropriation under the advance planning loans law and encourage local governments to contract for the preparation of construction plans and specifications for public-works projects under the terms of such interest-free loan funds.

5. That provision should be made to enable cities to purchase land for project sites from advance planning loan funds, so that construction plans and specifications can be definitely related to a particular site and long delays avoided later when funds are made available for actual construction; and be it further

Resolved, That the attached list of projects totaling $140,295,000 be, and hereby is, approved for submission to the proper Federal officials to indicate the type of work projects scheduled for construction within the next 10-year period, which could be advanced for early construction under an emergency public-works program contemplated by the Federal Government; and be it further

Resolved, That copies of this resolution and of the list of the approved projects be transmitted to the proper Federal officials or departments and to the Members of the House and the Senate representing Milwaukee residents as indicative of the kind of legislation required and the projects possible of construction.

Suggested projects for an emergency public works program for the city of Milwaukee

	Year presently	Estimated cost
Fire department, new buildings:		
North 8th St., West Michigan St.	1955	$300,000
North 69th St. and West Silver Spring Dr. combined with police department	1956	350,000
Vicinity of South 84th St. and West Howard Ave.	1957	155,000
Repair shop	1957	250,000
Far south side	1958	155,000
Total		1,210,000
Harbor commission:		
1,872 feet of retaining wall to reclaim 21 acres of submerged shoreland	1955	500,000
New drainage system for South Harbor, raise tracks, etc.	1955-60	150,000
		650,000
Museum: New building	1963	7,167,000
Police department:		
New garage	1956	200,000
New southwest side station	1957	200,000
		400,000
Bureau of bridges and public buildings:		
New city hall annex	1955	3,900,000
South 35th St. Bridge, south of West Lincoln Ave.	1955	925,000

PROHIBITION OF TRANSPORTATION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. LANGER. I present a petition signed by sundry citizens of Williston, N. Dak., praying for the enactment of Senate bill 3294, to prohibit the transportation in interstate commerce of alcoholic beverage advertising. I ask unanimous consent that the petition be printed in the RECORD, together with all the signatures attached.

There being no objection, the petition, together with the signatures attached, was ordered to be printed in the RECORD, as follows:

To the Honorable Senator WILLIAM LANGER:

We the undersigned voters of Williams County, are in favor of, and urge the passing of the Langer bill, S. 3294, to prohibit the transportation in interstate commerce of alcoholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV.

We respectfully ask that you present these petitions to the Senate and have a note made of it in the CONGRESSIONAL RECORD.

Silas Langager, Orlando V. Ellington, Rasmus Sker, Ed Overlie, Melvin Skarphol, Ivar Roudklev, Einar J. Erlandsen, Frank Bar, Richard Pederson, Emil K. Skardal, Mrs. Gens Aafrdl, Ed Lee, E. O. Hamberg, Edna E. Fritland, Elaine Hamberg, Elsie L. Hamberg, Zelpha Overland, Mrs. Olaus Kjos, Olaus Kjos, Mrs. Walter I. Aamoth, Oscar J. Hanger, Mrs. Oscar O. Hanger.

STATEHOOD FOR HAWAII—LETTER AND RESOLUTION

Mr. LANGER. Mr. President, I am in receipt of a letter from Duane Tollefson, secretary of the North Dakota Junior Chamber of Commerce, transmitting a copy of a resolution adopted by that organization, relating to Statehood for Hawaii. I ask unanimous consent that the letter and resolution be printed in the RECORD.

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

NORTH DAKOTA JUNIOR CHAMBER OF COMMERCE,
July 3, 1954.

Senator BILL LANGER,
Washington, D. C.

HONORABLE SENATOR BILL LANGER: The North Dakota Junior Chamber of Commerce has instructed me to send you a copy of the following resolutions for your consideration passed by the North Dakota Junior Chamber of Commerce at convention assembled in the city of Williston, N. Dak., on the 16th day of May, 1954.

Sincerely,

DUANE TOLLEFSON,
Secretary.

RESOLUTION FAVORING STATEHOOD FOR THE TERRITORY OF HAWAII

Whereas the North Dakota Junior Chamber of Commerce board of directors in January 1954 announced its support of the statehood bill for Hawaii; and

Whereas Hawaii has served honorably and well in the Korean fighting, and has paid millions of dollars in taxes to the United States Treasury; and

Whereas the members of the junior chamber of commerce feel that a government should be of laws rather than of men: Now, therefore, be it

Resolved, That the North Dakota Junior Chamber of Commerce at convention assembled in the city of Williston, N. Dak., this 16th day of May A. D. 1954, does favor the immediate passing of the Hawaiian statehood bill, and our secretary is instructed to send copies of this resolution to appropriate Representatives in the United States Congress.

AMENDMENT OF PACKERS AND STOCKYARDS ACT RELATING TO BRAND INSPECTION SERVICES—LETTER AND RESOLUTION

Mr. LANGER. Mr. President, I am in receipt of a letter from R. M. Miller, secretary of the North Dakota Stockmen's Association, Bismarck, N. Dak., transmitting a resolution adopted by that organization, relating to the amendment of the Packers and Stockyards Act as it deals with brand inspection services. I ask unanimous consent that the letter and resolution be printed in the RECORD.

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

NORTH DAKOTA STOCKMEN'S ASSOCIATION,
Bismarck, N. Dak., July 13, 1954.

WILLIAM LANGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR HONORABLE SENATOR LANGER: We wish to call your attention to a bill which has recently been introduced into both the Senate and House dealing with the administration of brand inspection services at the federally posted markets.

At a recent national meeting of the National Brand Conference, of which the North Dakota Stockmen's Association is a member, a resolution was adopted calling for certain changes in the existing provisions of the Packers and Stockyards Act and the administrative interpretation thereof.

The principal objective sought to be accomplished by the amendment to the Packers and Stockyards Act is the removal from the application of the act the activities of brand inspection authorities within their own State boundaries, subject to certain exceptions.

It is proposed to amend section 301 (b) so as to exclude the activities of brand inspection authorities within their own States from the definition of stockyard services, except as otherwise provided in section 317, as proposedly amended.

It is proposed to amend section 317 so as to provide: (a) That activities of brand inspection authorities within their own States are not subject to regulation except as expressly provided in paragraphs (c) and (d). (b) That the Packers and Stockyards Act administration may authorize private associations to make inspections and collect fees therefor at posted markets in those States wherein no agency is authorized by laws of such State to make inspections. Such associations would continue to be subject to regulation under the act substantially in the same manner and to the same extent as is now the case. (c) Permits brand inspection authorities of a State to be authorized to inspect cattle shipped from such State to posted yards in foreign States, subject to all existing regulations. (d) That the federally authorized agency or association of the State from which cattle are shipped to a posted market in a foreign State shall have a preferred right to make the inspection and collect a fee therefor; within certain limits.

The proposed amendment of this paragraph continues to leave out-of-State inspections under the regulation of the act, and gives the State of origin a preferred right to inspect, but places upon such State the burden of furnishing purchasers an adequate clearance. (e) That no more than one authorization shall be issued with respect to cattle shipped from any one State and a statement of the criterion for selection in case of more than one application substantially the same as provided in the present section 317 (a). Paragraphs (f), (g), and (h) of the amendment contain the same provisions as are now set out in paragraphs (b), (c), and (d) of section 317, respectively.

Under the proposed amendment no State will lose its right to obtain authorization to make out-of-State inspection; and such inspections will remain under Federal jurisdiction. However, in case a State of origin does not elect to inspect its cattle at foreign yards, the State in which such yards are located may inspect and collect a fee, without any Federal authorization and regulation.

We believe that it is important that these changes be made.

A copy of the resolution as adopted by the State livestock inspection agencies at the

National Livestock Brand Conference is enclosed.

The bill is being sponsored by Senator BOWRING, in the Senate, and Representative A. L. MILLER of Nebraska in the House.

We will certainly appreciate receiving your support for the passage of this bill. Should you wish additional information, we will be glad to supply it. With best regards.

Sincerely,

R. M. MILLER,
Secretary.

Whereas it is believed that some of the existing provisions of the Packers and Stockyards Act and the administrative interpretation thereof unduly hamper the legitimate functions of local State brand inspection authorities; and

Whereas it is believed that the best interests of the livestock industry, in particular, and the Nation in general, will be promoted by certain revision and clarification of said Packers and Stockyards Act: Now, therefore, be it

Resolved by the National Livestock Brand Conference, in regular session assembled, at Clovis, N. Mex., this 22d day of June 1954, That said conference favors and urges the enactment by Congress of substantially the following changes in the Packers and Stockyards Act:

I

That brand inspections by any department, agency, or instrumentality of a State, authorized by the laws of such State to inspect livestock as a means of determining ownership, shall not be subject to the Packers and Stockyards Act with respect to inspection within such State of any and all livestock, regardless of the origin or destination of such livestock except as otherwise hereinafter provided.

II

That in those States wherein no department, agency, or instrumentality of State is authorized by State law to inspect livestock as a means of determining ownership, private associations may be authorized under the regulations of the Packers and Stockyards Act to make such inspections at posted markets and collect a reasonable and nondiscriminatory fee or tax therefor.

III

That all out-of-State inspections remain under the packers and stockyards authorization and regulation.

That in the case of livestock shipped directly from one State to a posted market in another State the authorized department, agency, or instrumentality of State, or private associations, as the case may be, of the State of origin shall have a preferred right to inspect such livestock at such market; provided that such department, agency, instrumeutality, or association must declare its intention to inspect such livestock by giving notice in writing to a representative of the brand inspection authority of the State within which such market is situated a reasonable time prior to the time such livestock is offered for sale: *And provided further,* That in the event the inspection authority of the State of origin of such livestock elects to inspect such livestock, such inspection authority shall cause to be furnished to the purchaser an appropriate clearance certificate containing positive identification as to description of each animal and showing brands or marks appearing thereon and the location thereof.

In the event the inspection authority of the State of origin fails or neglects to declare its intention or fails or neglects to inspect such livestock after having declared such intention, the authorized inspection authority of the State wherein such market is situated may proceed to inspect such livestock and collect a reasonable nondiscriminatory fee or tax therefor. In no event shall an inspection fee or tax be collected by more than one inspection authority with respect to the same consignment of livestock.

FLEXIBLE PRICE SUPPORTS—RESOLUTION OF NATIONAL ASSOCIATION OF REFRIGERATED WAREHOUSES, WASHINGTON, D. C.

Mrs. BOWRING. Mr. President, Philip G. Kuehn, vice chairman, legislative committee, National Association of Refrigerated Warehouses, Washington, D. C., has written me a letter transmitting a copy of a resolution adopted by that organization relating to the flexible price-support program. I ask unanimous consent that the letter and resolution be printed in the RECORD and appropriately referred.

There being no objection, the letter and resolution were ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF
REFRIGERATED WAREHOUSES,
Washington, D. C., August 2, 1954.

DEAR SENATOR: You are being approached from all sides on the matter of price-support legislation. We think you'll find the attached resolution a refreshing and unselfish approach to this problem by an industry close to agriculture. We hope it will be helpful to you at this time, when you thoughts must be full of this important issue.

Sincerely yours,

PHILIP G. KUEHN,
Vice Chairman, Legislative Committee.

RESOLUTION OF NATIONAL ASSOCIATION OF REFRIGERATED WAREHOUSES

The following resolution was unanimously adopted April 29, 1954, at the 63d annual meeting of the National Association of Refrigerated Warehouses at Boca Raton, Fla.:

"The public refrigerated warehousing industry is a direct beneficiary of the present high rigid price-support program for agricultural commodities because it stores millions of pounds of perishables procured by the Government under this program.

"It is apparent to us that high rigid supports are creating huge surpluses—many of which are stored in our warehouses—which can have no other result than chaos for agriculture or a thoroughly regimented agricultural economy: Be it therefore

"*Resolved,* That the public refrigerated warehousing industry stands ready, unequivocally and positively, to sacrifice its pecuniary interests for a return to a flexible price-support program which will not create huge surpluses and which will return American agriculture to a free and healthy economy in the true American tradition; be it further

"*Resolved,* That the NARW commend Secretary of Agriculture Ezra Benson for his courageous statesmanship and farsighted wisdom in recommending a flexible price-support program, and, further, that the Congress of the United States be urged to adopt the Secretary's proposal."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 7508. A bill for the relief of James Dore, Jr. (Rept. No. 2357).

By Mr. SALTONSTALL, from the Committee on Armed Services, with amendments:

S. 3822. A bill to authorize the conveyance to the State of Texas of approximately 9 acres of land in Houston, Tex., to be used for National Guard purposes (Rept. No. 2358).

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

S. 29. A bill to provide for the payment of lump-sum death benefits to the survivors of certain employees of contractors with the United States during World War II (Rept. No. 2359); and

S. 3429. A bill to authorize the assessment of costs and reasonable attorneys' fees against the United States in certain appellate proceedings (Rept. No. 2360).

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

S. 221. A bill to amend subsection (a) of section 6 of the War Claims Act of 1948, as amended, to include claims of certain American citizens who served in the Armed Forces of any Government allied with the United States during World War II and who were taken prisoner of war (Rept. No. 2361).

OFFICE OF COMMISSIONER OF REFUGEES—REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on the Judiciary, to which was referred the amendments of the House to the bill (S. 1766) to establish the Office of Commissioner of Refugees, I report favorably amendments to the House amendments, and I submit a report (No. 2356) thereon. The committee recommends the adoption of the House amendments as amended by the amendments just reported.

The ACTING PRESIDENT pro tempore. The report will be received and printed.

BILLS INTRODUCED

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

By Mr. LANGER:

S. 3845. A bill for the relief of Reginald Theodore Jones; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3846. A bill authorizing the exchange of certain properties for purposes of the Vicksburg National Military Park; to the Committee on Interior and Insular Affairs.

S. 3847. A bill to provide that certain land acquired for flood-control purposes which is suitable for agricultural use be disposed of as surplus property; to the Committee on Public Works.

HOUSE BILL REFERRED

The bill (H. R. 9988) for the relief of the Federal Republic of Germany, was read twice by its title, and referred to the Committee on the Judiciary.

SOCIAL SECURITY ACT AMENDMENTS OF 1954—AMENDMENTS

Mr. DOUGLAS submitted amendments intended to be proposed by him 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 were ordered to lie on the table and to be printed.

FLOOD CONTROL ACT OF 1954—AMENDMENT

Mr. DOUGLAS (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 9859) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF CIVIL AERONAUTICS ACT, AS AMENDED—AMENDMENTS

Mr. McCARRAN submitted amendments intended to be proposed by him to the bill (H. R. 8898) to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended, which were ordered to lie on the table and to be printed.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 9, 1954, he presented to the President of the United States the following enrolled bills:

S. 53. An act for the relief of Lewis Roland Edwards;

S. 65. An act for the relief of Joseph Flury Paluy;

S. 120. An act for the relief of Gerasimos Giannatos;

S. 231. An act for the relief of Otmar Sprah;

S. 233. An act for the relief of Jeno Cseplo;

S. 354. An act for the relief of Inger Larsson;

S. 384. An act for the relief of Robert H. Webster;

S. 431. An act for the relief of Joseph Di Pasquale;

S. 447. An act for the relief of Vasiliki Tountas (nee Vasiliki Georgion Karoumbali);

S. 670. An act for the relief of John Doyle Moclair;

S. 771. An act for the relief of Anni Wolf and her minor son;

S. 810. An act for the relief of Jan E. Tomczycki;

S. 914. An act for the relief of Mark Vainer;

S. 946. An act for the relief of Mona Lisbet Kofoed Nicolaisen, Leif Martin Borglum Nicolaisen, and Ian Alan Kofoed Nicolaisen;

S. 974. An act for the relief of certain Chinese children;

S. 992. An act for the relief of Apostolos Savvas Vassiliadis;

S. 997. An act for the relief of Chuan Lowe and his wife;

S. 1158. An act for the relief of Stayka Petrovich (Stajka Petrovic);

S. 1165. An act for the relief of Paul E. Rocke;

S. 1212. An act for the relief of Alice Masaryk;

S. 1216. An act for the relief of Karl L. von Schlieder;

S. 1321. An act for the relief of Michajlo Dzieczko;

S. 1434. An act for the relief of William B. Baker and Don P. Fankhauser;

S. 1520. An act for the relief of Andre Styka;

S. 1600. An act for the relief of Esther Saporta;

S. 1609. An act for the relief of Mrs. Robert Lee Slaughter, nee Elisa Ortiz Orat;

S. 1615. An act for the relief of Lt. Col. George P. Price;

S. 1634. An act for the relief of Alton Bramer;

S. 1702. An act for the relief of Emilia Pavan;

S. 1757. An act for the relief of Clair F. Bowman;

S. 1795. An act for the relief of Fred and Bernice Ehlers;

S. 1798. An act for the relief of Charles Peroulas;

S. 1858. An act for the relief of Sister Antonella Marie Gutterres (Thereza Maria Gutterres);

S. 1883. An act for the relief of Dr. Takeo Takano;

S. 1889. An act for the relief of Margot Goldschmidt;

S. 1902. An act for the relief of Theresa Elizabeth Leventer;

S. 1925. An act for the relief of Lt. Col. Carl E. Welchner, United States Air Force;

S. 1940. An act for the relief of Michela Aurucci;

S. 2067. An act for the relief of Anthony Benito Estella, Natividad Estella, Antonio Juan Estella, and Virginia Araceli Estella;

S. 2135. An act for the relief of Fernando A. Rubio, Jr.;

S. 2176. An act for the relief of Maly Braunstein and Aurelia Rappaport;

S. 2204. An act to provide that United States commissioners who are required to devote full time to the duties of the office may be allowed their necessary office expenses;

S. 2210. An act for the relief of Frank (Franz) Homolka, Olga Homolka (nee Mandel), Adolf Homolka, Helga Maria Homolka, and Frieda Homolka;

S. 2214. An act for the relief of Peter James Copses, Beatrice Copses, Victoria Copses, and James Peter Copses;

S. 2222. An act for the relief of Lucia Mezilgoglou;

S. 2240. An act for the relief of Mrs. Carl Dobratz;

S. 2257. An act for the relief of Luigi Cicchinelli;

S. 2287. An act for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer;

S. 2295. An act for the relief of Irma Mueller Koehler Cobban;

S. 2340. An act for the relief of Alphonsus Devlin;

S. 2363. An act for the relief of Dr. Mien Fa Tchou and his wife, Li Hoei Ming Tchou;

S. 2411. An act for the relief of Ruth Berndt;

S. 2448. An act for the relief of Frantisek Vyborny;

S. 2455. An act for the relief of Mrs. S. Eugene Lamb;

S. 2469. An act for the relief of Francisco Vasquez-Dopazo (Frank Vasquez);

S. 2493. An act for the relief of Ingeborg Bogner Johnson;

S. 2504. An act for the relief of Elisa Albertina Cioccio Rigazzi or Eliza Cioccio;

S. 2510. An act for the relief of Paul Lewerenz and Margareta Ehrhard Lewerenz;

S. 2512. An act for the relief of Jeannette Kalker and Abraham Benjamin Kalker;

S. 2542. An act for the relief of Glicerio M. Ebuna;

S. 2594. An act for the relief of Paolino Berchielli, his wife Leda, and daughter Alba;

S. 2607. An act for the relief of Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte);

S. 2635. An act for the relief of Nadeem Tannous and Mrs. Jamile Tannous;

S. 2745. An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes;

S. 2746. An act to provide for the termination of Federal supervision over the property of certain tribes and bands of Indians in western Oregon and the individual members thereof, and for other purposes;

S. 2823. An act for the relief of Joseph H. Hedmark, Jr.;

S. 3062. An act for the relief of the American Surety Co. of New York and certain other surety companies;

S. 3126. An act for the relief of Waltraut Claassen;

S. 3306. An act for the relief of Kang Chay Won;

S. 3433. An act for the relief of Andreja Glusic; and

S. 3514. An act for the relief of Mrs. Oveida Mohrke and her son, Gerard Mohrke.

NOTICES OF MOTIONS TO SUSPEND THE RULES—AMENDMENTS TO MUTUAL SECURITY APPROPRIATION BILL

Mr. BRIDGES submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, the following amendment, namely: On page 5, line 16, after "migrants": insert the following: "*Provided*, That no funds appropriated in this act or any other act shall be used to assist directly or indirectly in the migration of any person to any nation in the Western Hemisphere who shall not first have been thoroughly screened for security in accordance with standards identical with those standards contained in the United States Immigration and Nationality Act."

Mr. BRIDGES submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, the following amendment, namely: On page 14, after line 7, insert the following:

"SEC. 108. Of the $700 million in surplus agricultural commodities authorized to be disposed of under provisions of the Agricultural Trade Development and Assistance Act of 1954, not less than $55 million shall be provided to Spain during the current fiscal year: *Provided*, That 95 percent of the foreign credits generated hereunder shall be used to strengthen and improve the civilian economy of Spain: *Provided further*, That the Commodity Credit Corporation shall be reimbursed for the assistance furnished under this section from unexpended balances available under the Mutual Security Act of 1954."

Mr. BRIDGES submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, the following amendment, namely: On page 14, beginning in line 19, substitute the following for the committee amendment:

"SEC. 109. Funds heretofore or hereafter allocated to the Department of Defense from any appropriation for military assistance (except funds obligated directly against any such appropriation for offshore procurement or other purposes) shall be accounted for by geographic area and by country solely

on the basis of the value of materials delivered and services performed (such value to be determined in accordance with the applicable provisions of law governing the administration of military assistance) and said funds so allocated shall be transferred to the Department of Defense. Such funds shall be considered obligated on written orders issued by the Secretary of Defense to the military departments for the procurement or delivery of supplies and services, when receipt of such orders has been acknowledged in writing. Within the limits of amounts so transferred, the Department of Defense is authorized to incur, in applicable appropriations, obligations to be paid from such amounts which shall, when required, be transferred to such applicable appropriations. No funds so allocated shall be withdrawn by administrative action unless the Secretary of Defense shall certify that they are not required for liquidation of obligations so incurred. In the event that the President shall decide that the military supplies and materials so obligated for are needed for the defense of the United States the amount obligated for supplies and materials subject to such decision shall be reimbursed to the original funds from which allocated. Reimbursement from such allocation shall be made in accordance with the applicable provisions of law."

Mr. BRIDGES also submitted amendments intended to be proposed by him to House bill 10051 making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notices.)

ADDITIONAL FUNDS FOR JUDICIARY COMMITTEE—RESOLUTION REFERRED TO COMMITTEE ON RULES AND ADMINISTRATION

During the debate on S. 3052, the Agricultural Act of 1954,

Mr. LANGER. Will the Senator from Vermont yield me a half-minute for a privileged matter?

Mr. AIKEN. I yield to the Senator from North Dakota 1 minute on the bill.

Mr. LANGER. Mr. President, on August 2, 1954, there was reported from the Committee on the Judiciary, Senate Resolution 305, Calendar No. 2062, providing an additional $10,000 for the same use and for the same purpose as provided in section 134 (A) of the Legislative Reorganization Act of 1946. I ask unanimous consent that Senate Resolution 305, to provide additional funds for the Committee on the Judiciary, be referred to the Committee on Rules and Administration.

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

LABRADOR ORE

Mr. WILEY. Mr. President, I was interested in noting in the current issue of Time magazine an article entitled "Ore by 1954." It tells of the visit by the Secretary of the Treasury, Mr. Humphrey, to Seven Islands, on the St. Lawrence River, at which time the Secretary of the Treasury called attention to the fact that ore is now coming out of the mines in Labrador. The article goes on to relate:

The whole Ungava production is ready. Soon nine 100-car trains a day will be rolling down from the mines to the Seven Islands docks. Some ore will go by sea to Baltimore and Philadelphia. The rest will go in shallow-draft ships down the St. Lawrence to the steel mills of Cleveland and Pittsburgh and inland Canada. When the St. Lawrence seaway is ready, oceangoing freighters can do all the carrying. By 1957 about 10 million tons of ore a year will be coming out of Ungava's veins, and the world's mightiest industrial nation need not worry about iron to feed its factories.

I ask unanimous consent that the entire article be published in the RECORD at this point in my remarks.

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

ORE BY 1954

"Gold is for the mistress—silver for the maid—
"Copper for the craftsman, cunning at his trade."
"Good!" said the Baron, sitting in his hall,
"But Iron—Cold Iron—is master of them all."

—*Rudyard Kipling.*

Wealthy and influential men from all over Canada and the United States gathered last week in the fishing village of Seven Islands, on the bleak north shore of the St. Lawrence River. United States Secretary of the Treasury George Humphrey, Quebec Premier Maurice Duplessis, and Newfoundland Premier Joseph Smallwood flew into town. A cruise ship brought 275 presidents, board chairmen or top executives of 6 major United States steel companies, United States and Canadian banks, insurance and trust companies, and mining firms. The visitors assembled on Seven Islands' rain-drenched waterfront. A button was pushed, and rumbling machinery dumped carloads of red rock into a freighter's hold. When the hold was full, the ship sailed for Philadelphia to deliver to United States steel mills the first iron ore from Canada's remote Ungava iron fields, as rich as and perhaps vaster than the once great Mesabi Range.

The pushbutton ceremony climaxed one of the great hands-across-the-border industrial ventures of modern times. As long as half a century ago, geologists were sure that iron ore lay buried beneath the lichens of barren Ungava, but there seemed no practical and profitable way of moving it from the subarctic wilderness. In 1942 Jules Robert Timmins, Montreal goldmining magnate, decided to take the challenge. Last week, as he watched the first boatload of Ungava ore leave for the United States, Jules Timmins, 66, could claim success. "It is the realization of my dreams, hopes, and plans," he said.

IRON POCKETS

It took 12 years, more than $250 million and a labor force that grew to 7,000 men to make Timmins' dreams come true. He raised more than $10 million just to survey the property to prove that the ore was sufficiently high-grade (50 percent or more iron content) to be attractive to steelmakers. Here and there, like almonds in a chocolate bar, prospectors found pockets of some of the richest iron ore ever mined in North America. They were able to block out 400 million tons assaying nearly 60 percent iron.

Once he had proved he had a commercial ore body, Timmons had to sell it to the steel industry. He had already formed a partnership with M. A. Hanna Co. of Cleveland and enlisted the help of Hanna's then president, George Humphrey, to promote the Ungava project in the United States. Steelmen in the United States were beginning then to realize how seriously two world wars had depleted the United States Mesabi Range. Humphrey and Timmins managed to convince some of them that Ungava could be a new Mesabi. Six steel companies (Republic, Armco, National, Youngstown, Wheeling, Hanna) agreed to finance the project and buy Ungava ore.

ROADS, DOCKS, DEATHS

With ample capital and an assured market, the newly formed Iron Ore Co. of Canada pulled out all the stops to get Ungava into production. I. O. C. President Humphrey coined the slogan "Iron Ore by '54" and geared operations to meet it. A 17-plane airlift flying as many as 96 flights a day began lugging men and freight into the Ungava wilderness to lay out town sites, build powerplants and dig ore pits. At a cost of more than 20 lives, a 357-mile private railroad was pushed across rivers and through mountains from Seven Islands northward to the mine sites.

Now the whole Ungava production is ready. Soon nine 100-car trains a day will be rolling down from the mines to the Seven Islands docks. Some ore will go by sea to Baltimore and Philadelphia. The rest will go in shallow-draft ships down the St. Lawrence to the steel mills of Cleveland and Pittsburgh and inland Canada. When the St. Lawrence Seaway is ready, oceangoing freighters can do all the carrying. By 1957 about 10 million tons of ore a year will be coming out of Ungava's veins, and the world's mightiest industrial Nation need not worry about iron to feed its factories.

PROPOSED INCREASE OF THE CEILING ON THE NATIONAL DEBT

Mr. MANSFIELD. Mr. President, last year when Congress was very near the end of its 1st session of the 83d Congress, the administration asked the legislative branch to approve an increase in the national debt limit, from $275 billion to $290 billion, an increase of $15 billion. The request was turned down. Now, this year, as adjournment is almost upon us, Secretary of the Treasury Humphrey is again asking Congress to increase the present ceiling on the national debt.

I have given considerable thought to the proposal to increase the national debt limit and I do not believe that the existing situation warrants an increase. Lifting the debt limit is a matter of grave concern to many people. Legislation of such magnitude needs full-dress hearings and debate early in the session, not when we are about to complete our work for the year.

The national debt is now about $274 billion. Budget receipts for the new year, which started July 1 are expected to be about $62.6 billion. Spending will amount to $65.6 billion. It means that the Government is expected to go $3 billion more in debt.

I understand the United States Treasury had a cash balance at the end of the 1954 fiscal year of approximately $6.8 billion which is deposited in 12,000 banks throughout the Nation. An interesting observation in this regard is that the Government receives no interest on these deposits. It seems rather peculiar that we pay the banks interest on loans and at the same time no interest on our deposits is paid to the Federal Government. These bank deposits and the

money we are still able to borrow under the debt limit certainly should be enough to take care of the estimated deficit for the fiscal year without having to increase the debt limit.

While there is always a possibility of an emergency it is not a sufficient enough reason at this time to merit an increase in the debt limit even on a temporary basis as proposed by the Finance Committee. The Treasury will have to keep close tabs on the administration's expenses. There is nothing wrong with that as it promotes more efficient business.

The principal reason for the debt limitation is as a goal and reminder and it should not be arbitrarily used. An increase in the debt limit at this time, in my opinion, is unnecessary.

ATOMIC ENERGY BILL

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram which I have received from the executive secretary of the North Dakota Association of Rural Electric Cooperatives with reference to the atomic energy bill.

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

BISMARCK, N. DAK., *July 30, 1954.*

Senator WILLIAM LANGER,
Washington, D. C.:

We, the board of directors of North Dakota Association Rural Electric Cooperatives, in meeting assembled, Bismarck, July 30, representing 65,000 member families do resolve following:

"Respectfully urge and recommend all Congressmen and Senators support and vote for all amendments to atomic energy bill passed by Senate. Wish to point out that without Senate amendments bill constitutes biggest giveaway in history to small group of private citizens of precious natural resource. Believe twelve billion invested by Government means benefits should go first to nonprofit bodies per preference clause, which is half-century old. Further believe no reason for haste in matter which will concern unborn generations. Request you put this resolution before conference committee as per our conversation."

R. G. HARENS,
Executive Secretary, North Dakota Association Rural Electric Cooperatives.

The ACTING PRESIDENT pro tempore. Morning business is concluded.

EXECUTIVE SESSION

Mr. SALTONSTALL. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

James C. Connell, of Ohio, to be United States district judge for the northern district of Ohio;

Robert Vogel, of North Dakota, to be United States attorney for the district of North Dakota, vice Powless W. Lanier, resigned;

Theodore E. Munson, of Alaska, to be United States attorney for division No. 1, District of Alaska, vice Patrick J. Gilmore, resigned;

Herbert G. Homme, Jr., of North Dakota, to be United States attorney for Guam, vice James G. Mackey, resigned; and

Harry R. Tenborg, of North Dakota, to be United States marshal for the district of North Dakota, vice Chester M. Forseman, resigned.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nomination on the executive calendar for the Foreign Claims Settlement Commission.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The legislative clerk read the nomination of Mrs. Pearl Carter Pace, of Kentucky, to be a member of the Foreign Claims Settlement Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. SALTONSTALL. Mr. President, I ask that the President be notified of the confirmation of the nomination of Mrs. Pearl Carter Pace.

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

LEGISLATIVE SESSION

Mr. SALTONSTALL. Mr. President, I move that the Senate return to the consideration of legislative business.

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

AGRICULTURAL ACT OF 1954

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

The Senate resumed the consideration of the bill (S. 3052) to encourage the stable, prosperous, and free agriculture and for other purposes.

Mrs. BOWRING. Mr. President, I wish to read into the RECORD some excerpts from an editorial appearing in the Nebraska Cattleman, for June 1954. They are as follows:

There will be a number of important questions to come before the committees for consideration, none will have a more far-reaching effect than the farm-price situation. Most stockmen and farmers have not been in sympathy with rigid price supports. Neither do they want the Federal Government to dominate the fields of production and prices. It has long been the policy of stockmen to rely very largely upon their own ability and efforts to develop and carry out their own farm and ranch programs with a minimum of participation by the Federal Government. Cooperation with Federal agencies—yes—but a minimum of participation except in emergency situations beyond their control.

Stockmen and farmers are concerned that their welfare becomes involved in politics. This being election year farm problems will come in for some lively discussion, the objective, of course, being to gain favor with farm and ranch folks. They are not much concerned with promises made during political campaigns. They do not ask, do not expect, any special favors. For the most part, as usual, stockmen and farmers rely very largely upon their own efforts for results. Given fair consideration they can maintain and improve their situation. They have long felt that what they need most is markets and not price supports.

In spite of all that has happened during the more than 2 years—with prices going down and down and production costs continuing to rise—they have faith in their business. They watch the efforts of the so-called "farm block" in Congress with much concern.

* * * * *

Because the farm situation dominates Washington thinking—and that of politicians everywhere—it behooves members to attend the convention this year and help formulate the policies of the association. It is an occasion for some sound thinking and courageous action.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

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

Mr. SALTONSTALL. Is the Senate now operating under the unanimous-consent agreement?

The ACTING PRESIDENT pro tempore. It is.

Mr. LANGER. Mr. President, a parliamentary inquiry.

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

Mr. LANGER. May amendments still be offered?

The ACTING PRESIDENT pro tempore. Amendments may be offered.

The Clerk will read the unanimous-consent agreement for the information of the Senate.

The legislative clerk read as follows:

Ordered, That on Monday, August 9, after the morning business, during the further consideration of S. 3052, to encourage a stable, prosperous, and free agriculture, and for other purposes, debate on the pending amendment (offered by Mr. AIKEN) and any amendment thereto or motion (including appeals) shall be limited to not exceeding 5 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the minority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon any further amendments be limited to 2 hours each, to be equally divided and controlled, respectively, by the mover of any such amendment and the Senator from Vermont [Mr. AIKEN] in the event he is opposed to such an amendment or motion otherwise, by the mover and the minority leader or some Senator designated by him: *Provided further*, That debate upon the bill itself shall be limited to not exceeding 3 hours, to be equally divided and controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the Senator from Texas [Mr. JOHNSON]; and that in the event of the third reading of S. 3052 the Senate shall, without debate; immediately proceed to the consideration of the bill (H. R. 9680) to provide for the continued price support for agricultural products, to augment the marketing and disposal of such products, to provide for greater stability in agriculture, and for other purposes; that it be deemed to be amended by striking out all after the enacting clause and inserting the text of S. 3052 as amended; and that the engrossment of the amendment and third reading of the said bill be deemed to be

ordered, and a vote taken on the final passage of the House bill as amended; and that, if passed, S. 3052 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

The Senator from Vermont has 150 minutes and the Senator from Texas [Mr. JOHNSON] has 150 minutes.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

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

Mr. JOHNSON of Texas. The Senator from Vermont has an hour and a half on the bill, and the Senator from Texas has an hour and a half on the bill. Is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. JOHNSON of Texas. May I yield time on the bill at this stage of the proceedings?

The ACTING PRESIDENT pro tempore. The Senator from Texas has control over the time he desires to yield.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from West Virginia [Mr. NEELY] 15 minutes on the bill.

NEWSPAPER COLUMNISTS' PRICELESS WARNING TO THE ADMINISTRATION TO SPEED PREPARATION TO DEFEND THE NATION AGAINST RUSSIA'S HYDROGEN BOMBS

Mr. NEELY. Mr. President, the most notable of all the historic warnings of impending danger ever given the American people was that carried to the embattled farmers of Massachusetts by a midnight horseback rider known to the world as the immortal Paul Revere. The most momentous warning of dire disaster ever given to the American people was that carried on the 28th day of last month not by a horseback rider but by the popular Washington Post and Times Herald. The famous columnists Joseph and Stewart Alsop are the authors of this alarming message. It is entitled the "Meaning of Peril."

It is my hope that all Senators present will lend their ears to the reading of this unforgettable article, except its second paragraph which will be omitted for reasons which appear to me to be sufficient. The Alsop brothers' startling words are as follows:

The sudden renewal of tension in the Far East ought to serve as a warning. If the warning is taken, which it probably will not be, the country will begin to object to the high percentage of fraud in our foreign and defense policymaking.

* * * * *

So far as one can judge, the leaders of this administration are bamboozling the country because they have achieved a happy state of self-bamboozlement. They do not want to believe that efforts must be made, money must be spent, and risks must be run. By a kind of official Coueism, made possible by concealing all the basic facts from the country, most of the policymakers have ended by concealing the basic facts from themselves.

The main point about which the great men of the National Security Council have so wonderfully bamboozled themselves is their own inevitable reaction to a time of total peril.

Two events of the last 12 months insure that the time of total peril for America is now not very far away. The Soviet hydrogen bomb and the new Soviet long-range jet bombers radically change the whole picture. The danger to this country is no longer to be calculated in terms of a slowly accumulating Soviet atomic stockpile, and a Soviet strategic air army equipped with slow, rather short-range TU-4's.

The big, economy-sized H-bomb with lithium hydride cores can be turned out rather rapidly. The new Soviet bombers, the TU-37 and TU-39, already are in quantity production. We have no air defense, and we are building no air defense, to protect this country against the Kremlin's modernized strategic airpower and hydrogen bombs.

Thus the moment is fairly near—the official estimates vary from 18 to 36 months—when the NSC planning papers will begin with the grim sentence:

"Assumed that the Soviet Union has the capability to destroy the United States."

The key question is, very simply, how our highest policymakers will behave when they see that ugly sentence in official black and white. In the abstract, they know already that they are going to see it fairly soon. But the facts have been hidden from the country. There is no public pressure on the policymakers to think about the facts. So they have shoved the whole ugly problem under the rug.

Meanwhile, the key question already has been answered, not in Washington but in London. Last December one of these reporters passed through London on the way home from Indochina. At that time the leaders of the British Government plainly understood the uncontainable dangers of a far eastern Munich. And they were ready to take great risks to prevent it, if this country would only give the lead.

Instead, this spring, the British leaders rejected our tentative lead, and actively worked to bring about a far eastern Munich. The reason was simple. Between December and March, the British Government suddenly had become aware of the total peril of the British Isles.

How this happened is a curious but long story. It is enough to say that two trivial accidents—a speech by Representative STERLING COLE and the hydrogen-bomb fallout on the Japanese fishing boat, *Fortunate Dragon*—suddenly waked up the British Cabinet.

They, too, had closed their ears to the experts. They, too, had shoved the problem of their peril under the rug. But when they abruptly faced the fact that the Soviet could quite literally destroy the British Isles—which already is the case—they went all out for appeasement at any cost. Thus, their peril paralyzed their policy.

Mr. President, let me digress for a moment to observe that Britain, in her present clearly manifested indifference to the United States and her ardent courtship of Red China for her commerce, has apparently become heedless of her greatest author's admonition:

The friends thou hast, and their adoption tried,
Grapple them to thy soul with hoops of steel;
But do not dull thy palm with entertainment
Of each new-hatch'd, unfledged comrade.

If Britain should, to the prejudice of the United States, continue to increase her cooperation with power-hungry, bloodthirsty, warring Communist China to such an extent that the Kremlin would conclude that this country would not help to rescue the British from destruction, as it did in the First and Second World Wars, Britain would, in my opinion, be confronted with the dilemma of submissively becoming one of Red Russia's enslaved nations, or having England blown to oblivion with atom and hydrogen bombs overnight. Such a disaster would be much more than a fulfillment of Macaulay's melancholy prediction that a "future traveler from New Zealand would, in the midst of a vast solitude, take his stand on a broken arch of London Bridge and sketch the ruins of St. Paul's Cathedral." No free nation can afford to have this appalling calamity descend upon that former great world power of which Webster said:

Her morning drumbeat, following the sun and keeping company with the hours, circles the earth with one continuous and unbroken strain of the martial airs of England.

Let us fervently hope that whatever conflicts of policy or differences of opinion have strained, as they certainly have, the long existing friendship between the United States and Great Britain, they will soon be composed and forever forgotten, and that in behalf of the preservation of the liberty of the human race and the establishment of permanent universal peace the Americans and the British will reunite and thereafter continue to be the impregnable global fortresses of democracy and the never-ending, successful joint defenders of democratic faith for all the world.

Mr. President, the rest of the Alsop article is as follows:

It may be unmannerly to say so; but there is no reason in the record to believe that President Eisenhower and the members of his Cabinet are much braver and tougher than Prime Minister Churchill and his colleagues. Hence there is every reason to expect that the specter of total peril, when it is upon us, will have the same paralyzing effect on American policy as it has already produced in Britain.

Meanwhile, it is already clear that even a partial paralysis of American policy is going to be desperately dangerous. The ink was hardly dry on the Indochinese treaty, when Ho Chi Minh announced his determination to grab the rest of Indochina for communism. If there is no push in Indochina, there will be a push somewhere else in Asia; and if not in Asia, then somewhere in the Middle East or in Europe.

And what will the American policymakers do, if the push comes after the beginning of the time of total peril? Will they say: "Yes, we are willing to risk the destruction of the United States for the Burmese, or the Berliners, or whoever it may be?" or will they duck the challenge, and so permit the Kremlin to begin gobbling up the free world on a piecemeal system?

There are other ways of phrasing the key question. Whether the idea of "massive retaliation" is a serious answer to this question, deserves careful study in a subsequent report.

Mr. President, a copy of this invaluable warning should be posted in the office of our Commander in chief, in the offices of the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of the Treasury, and in every office in the Pentagon building. This posting should be done at once, and this warning should be heeded without a moment's delay. If it arouses the

Eisenhower administration and the present administration of Britain sufficiently to impel them to avert the unspeakable calamity with which they and the world are face to face, the people everywhere should eventually commemorate Joseph and Stewart Alsop by erecting in their honor a monument more imposing, beautiful and lasting than any storied urn or animated bust ever raised in country churchyard by loving hearts and lavish hands.

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

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from West Virginia 3 additional minutes.

Mr. NEELY. The watchwords for this administration and the present administration of Britain should be, "Awake, unite and save mankind from the agonizing threat of communistic aggression, destruction and the resulting abomination of desolation spoken of by Daniel the prophet before it is too late."

Golden opportunity, which "knocks unbidden once at every gate," corroborates the Alsops' warning with this clarion call to Britain and the United States:

If sleeping, wake—if feasting, rise before
I turn away. It is the hour of fate,
And they who follow me reach every State
Mortals desire, and conquer every foe
Save death; but those who doubt or hesitate
Condemned to failure, misery, and woe,
Seek me in vain and uselessly implore.
I answer not, and I return no more!

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished Senator from Arkansas [Mr. FULBRIGHT] 5 minutes to speak on the amendment.

Mr. FULBRIGHT. Mr. President, as a part of my remarks, I ask unanimous consent that at the end thereof there be printed an Associated Press dispatch, headed "Farm Prices Drop," published in a recent edition of the Arkansas Gazette.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, I wish to read the first sentence of the news article:

A sharp drop in prices received by Arkansas farmers for their commodities was attributed yesterday by Federal officials to the drought that has gripped the State this summer.

The article goes on to discuss the plight of the farmers in my State. I may say that the same conditions apply to that whole region, including southern Missouri, Oklahoma, and Texas.

The administration's proposals for American agriculture suggest only one important change—the flexible price-support system. It is a change for the worse.

It is a change for the worse in the face of the fact that the farmers have already suffered more from the decline in the economy than has any other group.

The farmers' per capita income is now lower, compared to the per capita income of the rest of the population, than at any time since the beginning of World War II. In 1953 farmers' per capita income was $882; for nonfarmers it was $1,898, more than twice as much.

In the face of this inequality, the administration proposes a further reduction in farmers' income.

This is being done in face of the fact that our present system, with all its faults, has saved us from a severe farm depression.

None of us know whether we are going to have a further economic recession or not. That this possibility has been of concern to the Congress is evidenced by some of the legislation we have passed to strengthen the economy.

We have had the excise and corporation tax reduction. We have provided tax relief for persons receiving dividends. We have passed a program of unemployment compensation and highway construction. We will enact legislation increasing social-security benefits. We have liberalized the housing program. We have continued subsidies to airlines, shipping, newspapers, magazines, and all the other aspects of our economy.

Only the farm economy—the group which has felt the worst of the recession—is asked to take a further cut.

This change for the worse, proposed by the administration, will not produce the economic effects which the administration claims. It will not materially reduce production, nor will it increase consumption.

On the contrary, although industry can cut production when prices fall, the farmer must keep on producing in the face of falling prices. In fact, he must even try to increase production if he is to meet his fixed expenses. Today the parity ratio, what farmers pay as compared with the prices they receive, is at the lowest point in 13 years. Recently it fell from 91, in May, to 88, in the middle of June. How else is the farmer to meet this problem, except by increasing production?

A reduction in farm prices does not bring about a comparable increase in consumption. Perhaps the principle reason is that a reduction in farm prices does not bring about a comparable reduction in consumer prices. For example, a $3 shirt contains about 45 cents worth of raw cotton. If raw cotton prices drop 5 cents a pound, or 15 percent, the decline will be reflected in a 7-cent drop in the price of the shirt. So the shirt could be sold at $2.93, but the cotton farmers would lose $350 million.

One of the principal reasons for falling farm prices has been the decline in export market for agricultural commodities.

The President said, in his message on foreign economic policy:

Perhaps no sector of our economy has a greater stake in foreign trade than American agriculture. In recent years, for example, one-third of our wheat, 40 percent of our cotton and rice, and one-fourth of our soybeans have been exported. It is highly important to maintain foreign markets for our agricultural products.

In the same message the President said that 40 million acres, amounting to from 10 to 12 percent of our agricultural acreage, have to find their markets in exports.

He also gave a great deal of attention, as did his Commission on Foreign Economic Policy, to the necessity of harmonizing our agricultural and foreign economic policies.

The President's foreign trade policies were inadequate, particularly from the standpoint of maintaining foreign markets for farm products. He himself said that they were a minimum program.

He withdraw even this minimum program, in the face of the power of the protectionist members of his own party. At the same time he is insisting that his program of lower farm price supports go into effect immediately.

This is the equivalent of asking the farmer to pay the price of the administration's delay, indecision, and inability to deal with the problem of our foreign economic policy.

Only a few days ago we read the announcement of the increase in tariff on Swiss watches. That is an indication of the way our President is implementing the foreign policy which he announced with regard to foreign trade. That increase will cost American agriculture an incalculable amount, because Switzerland, in particular, as well as certain other countries, has traditionally bought much of its flour, tobacco, wheat, and cotton in this country, and paid for such commodities from receipts obtained from the sales of watches here. So the imposition of increased tariffs will further harm the agricultural economy of the United States.

EXHIBIT I

FARM PRICES DROP

A sharp drop in prices received by Arkansas farmers for their commodities was attributed yesterday by Federal officials to the drought that has gripped the State this summer.

The Federal-State Crop Reporting Service said yesterday that prices received by the State's farmers dropped an average of 1 percent during the month ended July 15. This compared to a national average decline of four-tenths of 1 percent.

A decline of 9 percent in meat prices and 3 percent in feed grains led the overall drop. Milk cow prices fell $14 a head.

The Service said the drought was responsible for all of the lower prices.

Price increases were reported for poultry and eggs, up 6 percent; dairy products, 1.15 percent; and cotton, 0.4 percent.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I yield 10 minutes to the Senator from Iowa [Mr. HICKENLOOPER.]

Mr. HICKENLOOPER. Mr. President, the pending amendment, which provides for a flexible parity formula for the basic agricultural commodities, with supports ranging from 80 to 90 percent of parity, in my judgment is a thoroughly sound and proper approach to the fundamental

and basic problems which confront agriculture so far as surpluses and the programing of agriculture are concerned.

I have been interested in this matter for a good many years. No one is more interested or more zealous than I am in maintaining the sound, long-range prosperity of the farmer. My State is completely dependent for its economic well-being upon the prosperity of the farmer. But, Mr. President, for many, many years we have gone through a sort of game in this country. I have called it to the attention of the public, even before I came to the Senate. The farm problem has been, each year—regardless of whether we have been engaged in war—a political football. It has maintained itself, on political manipulations, in a state of uncertainty, in a state in which the farmer himself did not know from year to year what the program was going to be, until—usually in the closing days of a congressional session—some device would be adopted to continue temporarily a farm program for the purpose of giving a sop, if you please, to the agricultural economy.

After World War II, in 1947 and 1948 be began to approach this problem on a basis of a long-range, peacetime solution. In the bill passed at that time flexible parity became a principle, and it was established as the basis for a fundamental approach to the surplus problem and to the arrangement of the farm program. However, as you know, Mr. President, the flexible parity idea and formula were never given a chance to operate. The Steagall amendment, which became law, temporarily continued from year to year a rigid, 90-percent formula for the basic commodities.

The first bill, following the war, was the Hope-Aiken bill. It was modified by the Anderson bill, in the 81st Congress. But, still, the rigid, 90-percent supports were operative under the Steagall amendment.

Then came the Korean war; and—perfectly justifiably, in my opinion—for the purpose of stimulating the largest possible amount of production, to meet the war demands, the rigid, 90-percent parity formula was continued—as a war measure, as a measure to encourage the greatest possible production, in order to meet the emergency situation brought upon us by war.

Many of us went along with that idea, as a war measure. That was true of many of us who had supported the fundamental principles of a flexible-parity approach.

Now, however, Mr. President, a war emergency is not upon us. So I think it is time that American agriculture be given a reliable, peacetime formula—not temporarily, for this year, or not necessarily for a 2-year period, but as a basic part of our approach to the question of the farm economy and its prosperity.

The pending amendment, contrary to the statements of a great many persons, is not a devastating amendment to the farm economy. I am quite sure that the formula provided in the Aiken amendment, will not result in parity being a sliding parity, as the detractors of the amendment attempt to argue, but will be a formula under which anticipated programs from year to year can be announced in advance, and the prices at which crops will be supported can be determined. It will be a formula under which a farmer can plan his operations, not necessarily one-crop operations, but his diversified operations. The calculations of surplus, carryover, and all the other factors which enter into the establishment of parity prices for the support of certain farm products can be made available long in advance; and the programing for a free and diversified agriculture can be put into effect, meanwhile carrying the assurance that collapse in prices cannot occur, and that there will be a reasonably adequate floor under the basic commodities.

As I said a moment ago, Mr. President, I think it is time the American farmer and American agriculture were given some kind of peacetime program, instead of the uncertain, wartime, forced programs which have been the order for the past several years.

Mr. President, I am thoroughly convinced that if we give this flexible parity formula and theory a chance to work—something it never has had in the past—we shall begin to realize, after it has been in effect for a year or two, that it is the most sound, the most sensible, and the most stable approach to the economic problems of agriculture we have ever had.

Mr. President, statistics in reams have been placed in the RECORD in the course of this debate. Facts, figures, and quotations fill the pages of the CONGRESSIONAL RECORD. I shall not burden the RECORD further by repeating statistics which already have been inserted in it. I think some of the statistics do not tell an accurate story. Others, based upon facts, do tell the story of what will happen to agriculture and how its stability will be served if a flexible program is put into effect.

At this time, Mr. President, I urge that the Senate adopt this amendment, and thus establish a peacetime program of long range for American agriculture, designed to give it stability, protection, and assurance of economic soundness.

Mr. AIKEN. Mr. President, at the moment I do not see on the floor any other Senator who desires to speak on the pending question.

However, I am not yielding back any of the time. Under the circumstances, I yield 5 minutes to myself.

The PRESIDING OFFICER (Mr. WELKER in the chair). The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, frequent reference has been made during this debate to President Eisenhower's speech at Kasson, Minn., in September 1952 when the campaign was at its height. It has been said that President Eisenhower at that time had promised 100-percent price supports. That is quite contrary to the facts. President Eisenhower, in his speech at Kasson, was very careful not to promise high, rigid price supports after the crop year 1954.

The people who are today making charges that the President has betrayed his promise at that time had a very different idea of what he said in the fall of 1952.

I have here, Mr. President, a copy of the Agricultural Progress News Letter for October 1952, published by the Democratic Party and placed in the mailbox of virtually every farmer in the United States. I read some excerpts from this Democratic publication which was distributed to the farmers of the United States in October 1952:

> The Republicans passed their price-support law in 1948 during the GOP-controlled 80th Congress. It was the notorious 60 to 90 percent sliding scale, with a new parity formula. The 1948 act is defended in the present Republican platform. Although agreeing to keep the present supports for 2 years, General Eisenhower has not moved from his party's long-time, low-support position.

I quote again from the same publication:

> The Republican Party's farm record was thrown into the political campaign by Gen. Dwight D. Eisenhower when he made the claim at Kansas City that the GOP has overwhelmingly supported the present farm programs.
>
> * * * * *
>
> The general tried again to create this impression when he declared at Kasson, Minn., that he and the Republican Party "stand behind the price-support laws now on the books," a statement widely misinterpreted as endorsement of 90 percent supports. Actually it means sliding scale after 1954.

Again I quote from this Democratic publication:

> Beyond defense of the 60 to 90 percent law, the Republican platform makes no Federal price support commitment.
>
> General Eisenhower has himself avoided a basic statement on his price support views by declaring that he and the Republican Party support the present farm law. The present farm law, unless amended, will slide farm price supports down into the basement after 1954.

That was what the Democrats told every farmer in the United States in October 1952.

I quote once more from the Democratic publication:

> The Republican 80th Congress passed a farm law with a 60 to 90 percent sliding scale of price supports. Under that law, mandatory supports for wheat would be down $1.27 per bushel today. Corn price supports could go as low as 97 cents a bushel. Cotton supports could drop to 20 cents. * * * The Republican 1952 platform defends this sliding-scale law, laden with economic disaster for the farmers.

So the Democratic Party in October 1952 did everything possible to impress upon the voters that General Eisenhower had not endorsed 90-percent rigid supports after the crop year 1954.

If we want to look further, let us look into the publications of the National Farmers Union, which is anything but a Republican organization.

The PRESIDING OFFICER. The 5 minutes allotted to the Senator has expired.

Mr. AIKEN. I yield myself 5 minutes more.

The PRESIDING OFFICER. The Senator yields himself 5 minutes more.

Mr. AIKEN. In the Weekly Report of the National Farmers Union, the Farmers Union in Washington, volume 5, No. 19, published September 12, 1952, we find this statement:

Eisenhower did not commit himself at all to a Government guaranty of full parity, as many newsmen reported. On the contrary his crack at "earning" their fair share was a direct slur at the very principle of price supports.

Let us look at what the Farmers Union Herald had to say in its issue of October 6, 1952, just 4 weeks before election:

It is becoming clear that General Eisenhower has had to go beyond his party's platform to some extent on the question of price supports and on the issue of punitive taxes against farm co-ops.

In the case of price supports he has said he is in agreement with the action of Congress last June in continuing 90 percent farm price supports until the end of 1954. He has not said that he would favor 90 percent or higher supports after that date.

Let us look again at the National Union Farmer, volume 30, No. 9, October 1952:

General Eisenhower promised in his speech in Kasson, Minn., to back the 2-year 90 percent of parity law, but specified that would hold good only until 1954.

If my colleagues wish any further evidence that there was no misunderstanding among the Democratic Party or the Democratic fronts which served the Democratic Party at that time, they need only go through the publications of October 1952. If the Senate needs further evidence that there was no misunderstanding as to what General Eisenhower said, they can look in the Farm Bureau publication of October 1952, wherein they plainly stated that General Eisenhower had endorsed 90-percent supports only through the crop year of 1954.

I make these insertions in the RECORD at this time to show conclusively, Mr. President, that those who now charge the President with double-dealing are simply double-talking themselves.

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

The PRESIDING OFFICER. The Senator from Vermont has used only 2 minutes of his time.

Mr. AIKEN. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished Senator from Mississippi 2 minutes of my time on the bill.

The PRESIDING OFFICER. The distinguished minority leader yields 2 minutes to the distinguished Senator from Mississippi on the bill.

Mr. EASTLAND. Will the distinguished Senator from Vermont tell me what the support price for cotton would be in the year 1955 under his amendment?

Mr. AIKEN. Under the Eisenhower program, with the amendment which I am offering for the minority members of the committee, the support price for cotton would be 90 percent of parity for the crop years 1955 and 1956. In the event there should be no legislation at all, if we cannot get together on farm legislation, the minimum support price for the 1955 crop of cotton under the 1949 act would be 86 percent. In the event the amendment which I am offering under the Eisenhower program should be adopted, the support price for cotton would be 90 percent for next year. The amendment which I offer actually makes no difference from the committee amendment in the support level for cotton.

Mr. EASTLAND. I thank the Senator.

The PRESIDING OFFICER. Does the Senator from Vermont yield for a further question?

Mr. EASTLAND. That is all. I yield back the remainder of the time.

The PRESIDING OFFICER. The Senator from Mississippi has yielded back 1 minute.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished Senator from South Carolina [Mr. JOHNSTON].

Mr. YOUNG. Mr. President, will the Senator yield me 2 minutes on the bill?

Mr. JOHNSON of Texas. Does the Senator desire to speak now?

Mr. YOUNG. I should like to ask a question of the Senator from Vermont.

Mr. JOHNSON of Texas. How much time?

Mr. YOUNG. Two minutes on the bill.

Mr. JOHNSON of Texas. I yield to the distinguished Senator from North Dakota 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from North Dakota has 2 minutes on the bill.

Mr. YOUNG. I should like to ask a similar question of the distinguished Senator from Vermont [Mr. AIKEN], with respect to wheat. What would the support level for wheat be next year if the Anderson Act took effect, or if the bill, including the amendment as proposed by the Senator from Vermont, were passed?

Mr. AIKEN. It is difficult to tell what the support level would be. We could tell what the minimum supports might be.

Under the amendment which I offer the minimum support for wheat would be 80 percent of parity. If Congress should fail to enact any farm legislation at all, I believe the minimum support for wheat would be 75 percent of parity for the first year and presumably 78 percent of parity for the second year.

Mr. YOUNG. If a special provision is not written into the bill, limiting the minimum to 80 percent, the minimum support level would then be 75 percent under the minimum set-aside and 78 percent under the maximum set-aside. Is that correct?

Mr. AIKEN. I believe the Senator from North Dakota is correct. However, the Secretary of Agriculture has already stated he did not anticipate setting an actual support level below 80 percent. The minimum could drop to 75 percent with a 400 million bushel set-aside, or 78 percent with a 500 million bushel set-aside.

Mr. YOUNG. Yes. The Secretary of Agriculture would not have any authority to go beyond 78 percent, would he?

Mr. AIKEN. Yes.

Mr. YOUNG. What authority would the Secretary have?

Mr. AIKEN. He would have to fix the support level for wheat somewhere between 78 percent of parity and 90 percent of parity, in his discretion.

Mr. YOUNG. If he used the minimum set-aside the support level would be 75 percent?

Mr. AIKEN. If the Secretary insisted on the minimum set-aside, 75 percent would be the minimum support level under wheat, and the Secretary would then have to fix the actual level somewhere between the minimum fixed by law and 90 percent of parity.

Mr. YOUNG. What reason does the Senator have for believing the Secretary would place the wheat support at above 75 percent of parity, when the Secretary did not do it on dairy products when he had a chance to do so?

Mr. AIKEN. Under the law the Secretary was required to fix a rate of 75 percent of parity for dairy products. He is not required to fix the support at 75 percent of parity for wheat.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired. The Chair admonishes Senators to ask for recognition.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes on the bill to the distinguished Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 5 minutes on the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I believe it is all important that we stop, look, and listen before we vote upon the Aiken amendment. I make that statement because the amendment would affect not only the farmers of the Nation but every individual who lives within the United States.

At the present time we have a large surplus of all of the basic commodities. I have heard it said on this floor and in other places that if we provide flexible supports—that is, from 90 to 80 or 80 to 90—such action will not encourage the farmer to plant the commodities which are now in surplus.

I invite the attention of Senators to the fact that at the present time certain commodities are under the sliding scale of price supports.

Soya-beans have been flexed from 90 to 80 percent, the same percentages as are provided by the Aiken amendment, and despite this the Department of Agriculture estimates that this year there will be a 12-percent increase in acreage planted to soya-beans.

The support of corn in the noncommercial areas was flexed from 90 to 75 percent. I find that the estimated acreage to be planted to corn for this year represents an increase of from 5 to 10 percent.

Supports for dry edible beans were flexed from 87 to 80 percent. We find there is an estimated increase in the acreage in that field of 14 or 15 percent.

Flaxseed supports have been flexed from 80 to 70 percent. We find, however, that the estimated increase in acreage planted for this year is 18 percent.

Under the present 90-percent parity prices for wheat and cotton we are cut-

ting back the acreage this year, under a control system, which I find is working very well.

Let us not be so foolish as to believe that when we cut the parity prices on the basic commodities, the selling prices of those particular commodities will not be affected. They will be affected. When the price is affected the farmer is affected directly, and not the man who consumes the commodity.

When the price of milk which the farmer sells is reduced the consumer does not benefit in every instance from such reduction. In most instances the consumer does not benefit in any way whatsoever.

As to cotton, it might be interesting to note that in a $3 or $3.50 shirt there is only a little more than half a pound of cotton. If cotton is selling for 35 cents a pound it is easy to figure the cost of the cotton in a shirt. Such cost is approximately 16, 17, or 18 cents. So if we were to increase the price of cotton 5 cents a pound to the farmer, which would mean a great deal to the cotton farmers, how would that affect the man who purchases a shirt? Probably it would change the price of the shirt 2, 2½, or 3 cents. However, it might not affect the price at all. I doubt whether the man in the store would even think about adding that small amount, and the shirt would sell for the same amount as before.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. How much time have we consumed on this side on the bill?

The PRESIDING OFFICER. Twenty-five minutes on the bill.

Mr. JOHNSON of Texas. How much time have we consumed on this side on the amendment?

The PRESIDING OFFICER. Five minutes on the amendment.

Mr. JOHNSON of Texas. I thank the Chair.

Mr. AIKEN. Mr. President, may I ask how much time we have consumed on our side?

The PRESIDING OFFICER. Nineteen minutes on the amendment; nothing on the bill.

Mr. AIKEN. Nineteen minutes only on the amendment.

The PRESIDING OFFICER. Time is running.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that we may have a quorum call, and that the time be not charged to either side.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

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

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I was about to suggest that the minority leader and I can split the time and sit this out if no Senator wishes to speak.

Mr. KNOWLAND. Mr. President, first of all, I ask unanimous consent, in case there is any question, that the time taken by the quorum call be not charged to either side.

The PRESIDING OFFICER. The Chair understands that; but the little discourse between Senators will have to be charged to someone.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that we may have another quorum call, with the understanding that the time shall not be charged to either side.

The PRESIDING OFFICER. Very well. 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.

Mr. JOHNSON of Texas. I yield 5 minutes to the distinguished senior Senator from Minnesota on the amendment.

Mr. THYE. Mr. President, the reason why I am definitely in support of the continuance of 90 percent price supports is not on the basis of endeavoring to win a political argument; it is strictly on the basis that the price supports are the factors which are holding up farm prices at present.

With the huge surpluses of wheat, corn, cotton, feed grains, such as oats and barley, and dairy products, a lowering of the supports would simply mean that the price to the farmer would be dropped to whatever level was established for the support price.

When our overall agricultural picture is examined, it will be found that the Nation is confronted with a dangerous situation. The agricultural economy must not be lowered, because what affects farmers will, in only a matter of months, affect business establishments and the smaller communities or centers. Then the results will begin to reflect themselves in the industrial plants, through the concellation of orders for merchandise, including groceries and clothing, but more especially in the heavy-machinery industry.

When the farm-income figures are examined, it will be found that even though the gross national income for agriculture was higher in 1953 than it was in 1947, the farmer received less in net income for 1953 than he did in 1947. So it behooves Congress to give the situation serious thought.

I shall read into the record certain figures. In the calendar year 1947, when the realized gross income of farm operators was slightly more than $34 billion, the net income was $16,774,000,000.

Last year the realized gross farm income was almost $35 billion, a billion dollars higher than it was in 1947. But the net income of the farmer was only $12,800,000,000, a drop of $4 billion as compared with the net income in the 12-month period just 7 years earlier.

That is too great a drop for any group to have to suffer, when it is considered that such a decline will reflect itself in the industrial plants of the Nation, and thus commence to reflect back into the Nation's overall economy.

Last night I heard a radio broadcast by a national grocery representative, who spoke about the farm supports being the factor which is causing the high cost of living. If one who listens to statements of that kind will examine the reports of statisticians, he will find that in the past 8 or 10 years the farmer has lost 9 cents of the consumer's food dollar. That fact should make us realize that the consumer is not receiving any advantage in savings or otherwise, because of the drop in the producer's prices.

In the year 1947 the farmer was receiving 53 and a fraction cents of the consumer's food dollar; in 1953 he was receiving only 45 cents of the consumer's food dollar. The consumer was paying at the same rate, but the producer was losing money. The Department of Agriculture, because of the unwise speeches by the Secretary of Agriculture and his Under Secretary about the terrible situation connected with the support-price program, to the effect that the support price of 90 percent was pricing commodities off the consumer's food table, was aiding and encouraging greater profits to be made on the part of the retailer as well as the processor. That argument has been made. But when one examines the financial situation of the American farmer or producer, he will observe a warning signal, which he had better recognize. The farm-mortgage debt in 1945, which was the lowest in a 40-year period from 1914 to the present, was $4,760,000,000. The debt has risen every year until today it stands at an estimated $7,800,000,000, an increase of 63 percent in 8 years.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. THYE. Will the Senator from Texas yield me an additional minute, so that I can complete my statement?

Mr. JOHNSON of Texas. I am glad to yield 2 additional minutes to the Senator from Minnesota.

Mr. THYE. The short-time indebtedness in connection with anual production of the farmer likewise has more than doubled.

Mr. President, when a situation like this is occurring throughout the agricultural economy of the Nation, Congress had better take heed, because it is the same trend which occurred in the 1920's, and which led in the early 1930's to the economic depression which affected the entire United States. Before it was possible for the Nation to lift itself out of the depressed economy of the 1930's, it was necessary to expend untold millions of dollars in an endeavor to strengthen the economy of the country. That is why I say we should take heed and gird ourselves against another terrible drop in the agriculture economy.

Mr. AIKEN. Mr. President, I yield myself 2 minutes on the bill, in order to call attention to what is happening to the income of farmers, particularly in the area represented in part by my friend, the distinguished senior Senator from Minnesota [Mr. THYE].

According to a release by the Department of Agriculture dated June 16, 1954, in the West North Central region, comprising the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas, there was, for the first 4 months of the year, an income of $2,450,228,000, compared with $2,418,073,000 in the same 4 months' period of last year, representing an increase of approximately $32 million.

I particularly call the attention of the Senator from Minnesota to the fact that in the State of Minnesota farmers' income for the first 4 months of the year increased from $413 million last year to $429 million this year.

In Iowa, the farmers' income increased from $776 million to $811 million.

In Missouri, the farmers' income increased from $270 million to $290 million.

In South Dakota the farmers' income increased from $152 million to $170 million.

In Nebraska, the farmers' income increased from $368 million to $384 million.

There were losses in income as follows:

In North Dakota, farm income decreased for the first 4 months of this year as compared to the first 4 months of 1953, from $116 million to $103 million.

In Kansas, the farm income decreased from $320 million to $259 million.

I read these figures for the reason that they show that the only two States in this great agricultural region where there was a decrease in farm income——

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. Mr. President, I yield myself an additional minute.

In the only two States where there was a decrease in farm income the farmers depend upon 90 percent of parity price supports, and in the other States, including the State of Minnesota, where there is a balanced agricultural economy, farmers showed great progress in the first 4 months of this year as compared with a similar period in 1953.

Mr. President, I yield 15 minutes to the Senator from New Mexico [Mr. ANDERSON].

Mr. JOHNSON of Texas. Mr. President, if the Senator from Vermont will yield, I should like to say that I have conferred with the distinguished Senator from New Mexico [Mr. ANDERSON], and it is agreeable to him that he follow the Senator from Oklahoma [Mr. KERR]. In fact, he would prefer doing so. If the Senator from Vermont will withhold his request, I should like to yield to the Senator from Oklahoma.

Mr. THYE. Mr. President, I should like to request 5 minutes.

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished Senator from Minnesota 5 minutes. I may not be present on the floor at the conclusion of the 5 minutes, but I desire to yield 10 minutes to the Senator from Oklahoma [Mr. KERR] to speak on the Aiken amendment.

Mr. AIKEN. Mr. President, I yielded myself time to speak on the bill and to make my comment with regard to farm income in the North Central farm States.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes to speak on the bill.

Mr. THYE. Mr. President, to find that I am debating an issue with colleagues whom I respect and consider my friends is just about as unpleasant an undertaking as I have experienced during my entire service in the Senate. The reason I desire a little additional time to speak on the question is that Minnesota is a great dairy State, Wisconsin is a great dairy State, and northern Iowa, and the eastern border of the Dakotas are great dairying areas. I shall now place in the RECORD facts from the records of the Twin City Milk Producers Association.

The Twin City Milk Producers Association is a cooperative organization of farmers in an area of about a 35-mile radius of the Twin Cities. They furnish approximately 90 percent of all the fluid milk consumed on the Twin City markets.

In checking back over the records—and I did this with Mr. Peterson, the manager of the Twin City Milk Producers Association—I find that in the calendar year of 1953, the month of January, the Twin City milk prices—this is for grade A base milk—the top price was $3.99 a hundredweight, 3½ percent butterfat; in February, $3.88; in March, $3.88; in April, $3.76; and in May, $3.66.

In the calendar year of 1954, January, for the grade A base, 3½ percent butterfat, the price was $3.61. My colleagues will note that is a drop of 38 cents a hundredweight in 1 year.

In the month of February the price had dropped further to $3.56; in March, to $3.50; in April, to $3.26; and in May, to $3.15. This price paid the producer of the Twin City milk in the year 1954 is practically comparable to the price that the producer received in the year of 1946 prior to the Korean war inflation.

The Korean war inflation still exists insofar as what the producer has to pay in his operating expenses is concerned, but Senators can note the drastic drop that the producer has suffered; and the unexplainable situation is that, appearing in the St. Paul Pioneer Press as of Saturday, August 7, there is an article which reads:

> Retail price of milk will go up a cent a quart in St. Paul within a week, it was indicated Friday night.
>
> The rise will follow a similar increase made by Minneapolis distributors about a month ago. This followed a boost of about nine-tenths of a cent a quart ordered in the price paid to farmers by dairies.
>
> There has been another raise—this one only 1.7 cents a hundredweight—in the price to farmers in August.
>
> One St. Paul distributor is reported to have scheduled a retail boost of a cent a quart for Sunday, but a spokesman for the firm denied this. He said, however, that an increase "is bound to come within a week, perhaps only a few days."

Notwithstanding the fact that the producers' price for the milk decreased from 40 to 80 cents a hundredweight, the distributors are now charging the consumers—the housewives who must buy milk for their babies—a cent more a quart.

I could very easily agree with my distinguished colleague from Vermont, who quotes from the Department of Agriculture release, that there has been progress. However, southern Minnesota, and some of the other States, had an abundance of corn. There was one of the largest crops of corn in the history of the North Central States, and a part of the income which the Senator from Vermont has cited, from statistical charts, resulted from increased corn production, and the fact that, for the first time in 2½ years, pork has been selling at nearly 100 percent of parity.

The only reason the price is that high is that a great many farmers went broke handling hogs 2½ years ago and went out of business. The few who stayed in business have been receiving about 100 percent of parity on pork. That is the reason for some of the figures cited by the Senator from Vermont from the statistics of the Department of Agriculture.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

The Senator from Oklahoma [Mr. KERR] has been allowed 10 minutes to speak on the amendment.

Mr. KERR. Mr. President, I wish again to speak against the amendment of the Senator from Vermont. In the course of the discussion the other day the Senator from New Mexico [Mr. ANDERSON] rose and read into the RECORD what he indicated was evidence to him that President Eisenhower's position of being for flexible price supports was known and accepted by certain Democratic groups during the 1952 campaign. The distinguished Senator from New Mexico read from a statement by the National and State Committee for Agricultural Progress which he indicated was broadcast far and wide, as follows:

> General Eisenhower has himself avoided a basic statement on the price-support views by declaring that he and the Republican Party support the present farm law. The present farm law, unless amended, will slide price supports down into the basement in 1954.

The distinguished chairman of the committee [Mr. AIKEN], who, by the way, acts as though he were speaking for the committee on the floor, when, in reality, he is taking a position opposite to that which the committee has taken, has also indicated that, in his judgment, anybody who was well informed should know, especially after the statement purportedly made by the National and State Committee for Agricultural Progress, that Candidate Eisenhower did not mean what he said at Columbia, S. C., and at Kasson, Minn., as quoted in the Senate the other day by the Senator from Oklahoma.

I now wish to read what Candidate Eisenhower himself said with reference to the statement quoted by the distin-

guished Senator from New Mexico and referred to by the distinguished Senator from Vermont, the chairman of the committee. General Eisenhower said at Chicago, Ill., on October 31, 1952:

I was outraged to hear recently that the Committee for Agricultural Progress, which is allied with the Democratic National Committee, published an illustrated tabloid filled with deliberate falsehoods. They placed it in every rural mailbox in selected States. This folder was cleverly designed to frighten farmers into believing that our new administration would pull the rug out from under them. It tried to frighten farmers by misrepresenting the facts when it said that our crusade is opposed to price supports, rural electrification, soil conservation, and other farm programs.

Mr. President, that makes it very clear. If the distinguished Senator from Vermont [Mr. AIKEN] and the distinguished Senator from New Mexico [Mr. ANDERSON] are correct now, in referring to C. A. P. statements, in saying that everyone knew that Eisenhower was against 90-percent supports, then I wish to say their statements indict the candidate himself either of not knowing what he was saying or of speaking falsely.

Also with reference to the accusation by the National and State Committees for Agricultural Progress, the distinguished candidate for the Vice Presidency on the Republican ticket, when speaking in Iowa on October 23, referred to that pamphlet or tabloid issued by the Committee for Agricultural Progress, as a publication "for the purpose of frightening farmers into believing that a Republican administration would permit farm prices to decline."

The New York Times quoted Mr. NIXON as saying that this scheme was "malicious."

Subsequent to the Kasson, Minn., speech, in Brookings, S. Dak., on October 4, Candidate Eisenhower reiterated his position, referred to the Kasson speech in Omaha, and to what he said in a number of back-platform speeches:

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

Mr. President, the distinguished Senator from Vermont circulated on this floor a group of charts relating to the various States. By means of them, he sought to divide and conquer the representatives in the Senate of the various groups of farm people. By means of those charts, he purported to show that almost everyone in the United States, except 4, 5, or 6 State groups, would be adversely affected by price supports of the basic commodities.

I wish to refer to a chart issued by the Department of Agriculture, showing the changes in dollar value of farmland, percentagewise, from March 1953 to March 1954. I should like to have the distinguished Senators who think that the welfare of their farm groups is being served by the present administration to examine this chart. It shows that farm values in every State in the Nation declined between March 1953 and March 1954; and Senators know that the decline had set in prior to that time, and that it has continued since that time.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation of the percentage of decline in the dollar value of farmland, in the case of each of the States, as shown by the chart to which I have referred. The chart has been prepared by the Department of Agriculture, and it discloses that the overall average decline in the United States has been 6 percent.

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

Changes in dollar value of farmland [1]

[Percentages, March 1953 to March 1954]

	Decrease
Alabama	7
Arizona	9
Arkansas	6
California	6
Colorado	10
Connecticut	2
Delaware	2
Florida	6
Georgia	5
Idaho	6
Illinois	5
Indiana	5
Iowa	7
Kansas	6
Kentucky	7
Louisiana	3
Maine	9
Maryland	2
Massachusetts	5
Michigan	4
Minnesota	5
Mississippi	6
Missouri	8
Montana	5
Nebraska	7
Nevada	7
New Hampshire	3
New Jersey	2
New Mexico	9
New York	6
North Carolina	5
North Dakota	1
Ohio	4
Oklahoma	8
Oregon	7
Pennsylvania	5
Rhode Island	2
South Carolina	6
South Dakota	4
Tennessee	7
Texas	7
Utah	6
Vermont	5
Virginia	6
Washington	5
West Virginia	6
Wisconsin	5
Wyoming	8
United States decrease	6

[1] Based on index numbers of value per acre, including improvements.

The PRESIDING OFFICER. The Chair informs the Senator from Oklahoma that his time has expired.

Mr. KERR. Mr. President, I ask for 1 additional minute.

Mr. CLEMENTS. Mr. President, I yield 1 more minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 minute more.

Mr. KERR. Mr. President, at this point I wish to refer to a petition signed by approximately 175 Oklahoma farmers, and reading as follows:

Whereas we, the undersigned, believe that all good things derived from a common source should be distributed equally; and

Whereas certain Members of the Congress favor farm prices based on 80 percent of parity; and

Whereas we have been informed of their intention to give the farmers a fair deal: Therefore we petition said Members of the Congress to appropriate for their salaries only 80 percent of the amount paid to them in the last fiscal year.

Mr. President, the signers of the petition call upon the membership of Congress to reduce their own salaries in like amount to any reduction in parity. I must say that would be a hard way for Senators to learn their lesson; but I believe it would be an effective way for them to learn the meaning of what they are trying to do to the farmers, if at the same time all Members of Congress had to impose a similar penalty upon themselves.

Mr. President, I yield the floor.

Mr. KNOWLAND. Mr. President, acting for the Senator from Vermont [Mr. AIKEN], I yield 15 minutes to the distinguished junior Senator from New Mexico [Mr. ANDERSON], the former Secretary of Agriculture.

The PRESIDING OFFICER. The Chair inquires whether the Senator from California is yielding to the Senator from New Mexico 15 minutes on the bill or on the amendment.

Mr. KNOWLAND. On the amendment, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 15 minutes on the amendment.

Mr. ANDERSON. Mr. President, I realize we could argue for days as to what the Republican Party's candidate said or did not say. I merely wish to say to my very distinguished friend the Senator from Oklahoma [Mr. KERR] that I am sure the only thing he and I will ever agree upon in connection with the candidate for the Republican Party is that we thought he should have been defeated; and we did our best to bring that about. [Laughter.] Nonetheless the Republican candidate succeeded in winning the election; and there are those of us who think his agricultural program helped him to that end.

Mr. President, the Agricultural Newsletter to which reference has been made carried some very interesting statements. Among others are some to which I wish to refer. It discussed the Republican Party, and said the Republicans passed their price support law in 1948 through the GOP-controlled 80th Congress:

The 1948 act is defended by the present Republican platform. Although agreeing to keep the present supports for 2 years, General Eisenhower has not moved from his party's long-time support position.

The other day I quoted from the statement that—

General Eisenhower has himself avoided a basic statement on his price-support views by declaring that he and the Republican Party support the present farm law.

And—

The present farm law, unless amended, will slide supports down into the basement in 1954.

Those were the things being said in the campaign.

I remind the Senate that when the President came forward with his message to the Congress with reference to agricultural legislation, he suggested that our current agricultural legislation should be based upon the 1948 and 1949 laws.

On page 5, or possibly page 7, of this document, the Agricultural Newsletter, there is a dissertation on the able Senator from Alabama [Mr. SPARKMAN] and how he had helped build the farm law; and, in contrast, it quotes from the present Vice President, crediting him with saying:

I am in favor of placing the farm-parity program on a flexible basis, so the parity price will be adjusted when huge surpluses are created.

So, Mr. President, it seems quite clear to me that the Democrats who were running that 1952 campaign seemed to feel that is what the Republicans advocated.

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

Mr. ANDERSON. Yes, indeed; I yield.

Mr. KERR. The Senator from New Mexico knows that after the statement to which he has just referred was made, the President made the statement which I mentioned, wherein the President said he "was outraged to hear recently that the Committee for Agricultural Progress" had published a "tabloid filled with deliberate falsehoods."

Mr. ANDERSON. Yes; but that is not the tabloid to which he is referring.

Mr. KERR. Does not the Senator from New Mexico know that the President was talking about attempts of the Committee for Agricultural Progress "to frighten the farmers by misrepresenting the facts, when it said that our crusade is opposed to price controls"?

Mr. ANDERSON. Yes; I do not think the Republicans in the campaign were opposed to price controls.

Let me say that I was very much interested in the opening statements made by the two candidates. I had been at Springfield, Ill., a short time prior to the time when the Democratic candidate for the Presidency spoke at Kasson, Minn. At the time the so-called policy committee was meeting with the Democratic candidate for President at Springfield, 2 or 3 items under discussion were very dear to my heart. One of them was the question of the declaration he would make on the subject of oil in the submerged lands. I suggested to the Democratic candidate for President a possible statement he might use which I thought would put this problem in proper perspective before the American people.

Subsequently, the question of a farm statement arose, and I presented to him as strongly as I could the position which I thought he ought to take. I pointed out to him that the candidate for the Presidency on the Democratic ticket in 1948 had campaigned openly, vigorously, and actively for a modernized parity which would have dropped prices for a great many commodities, and had advocated the modernized law which had been presented to the Congress and which had included, among other things, flexible price supports. Those flexible price supports were from 60 to 90 percent, and the President of the United States, in his speech at Dexter, Iowa, was strongly in favor of that bill. He referred to it again at Omaha. He referred to it by name in his press conference in Los Angeles. It seemed to me only reasonable that the President had succeeded in carrying some of the farm States because he had been open and forthright in his advocacy of what he believed to be a good farm program.

I remind my Democratic colleagues that when the Democratic candidate for President campaigned in 1948 on a program of flexible price supports, he carried the agricultural States; and in 1952 when another Democratic candidate campaigned on a system of high-rigid price supports, he lost every agricultural State north of the Mason and Dixon's line. I think that will happen repeatedly when candidates try that sort of thing. Rigid and regulated agriculture is an unpopular program, and is bound to be, when people understand what is going on.

I wish to refer to 1 or 2 things that have occurred to me.

The very able junior Senator from Oklahoma [Mr. MONRONEY]—we have two very able Senators from Oklahoma, both of whom have my deep affection—put into the RECORD at page 13651 a table with reference to the national income, showing how "the national income follows the improved conditions of farmers through the depression and the post-depression period." Those are his words. That table shows that farm income, starting in 1932 at $1,898,000,000, went up to as much as 15 or 16 billion dollars. In 1947, the income of farmers reached the high figure of $16,774,000,000. At that time the national income was $198 billion.

If it be true that national income follows farm income when it rises and drops, we should read the table put into the RECORD by the junior Senator from Oklahoma, which shows what happened the next year. The next year, farm income dropped a billion dollars, and national income went up $25 billion.

The long-range experience of the statisticians who have studied the question of farm income is that farm income generally keeps fairly well in pace with national income; that generally the farmer gets a fair fraction of the national income, but he does not always succeed in getting it; and that national income can continue to rise even when farm income is falling. That is a fact which has been developed time after time by the statisticians of the Department of Agriculture, and is shown by the table inserted in the RECORD by the able Senator from Oklahoma.

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

Mr. ANDERSON. I yield.

Mr. MONRONEY. I am sorry that my distinguished colleague and friend did not follow out his analysis to the 1949 figure, which shows that the drop which began in 1948 affected the national income, which slumped to $216 billion, with the farm income slippage.

Mr. ANDERSON. I was about to say that in the next year farm income dropped an additional $2 billion, and national income dropped some $8 billion. But the following year, to show that there is no set pattern, farm income dropped another billion dollars, and national income jumped up $24 billion. The next year farm income went up a little, $2 billion, and national income went up to $278 billion; then farm income dropped, and national income went up to $298 billion.

National income does not necessarily follow the pattern of farm income; not only is that true of this analysis, but an analysis of 100 years would show that to be the fact.

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

Mr. ANDERSON. I yield.

Mr. MONRONEY. The junior Senator from Oklahoma not only quoted figures going back to 1932, but elsewhere in his speech he cited figures going back to 1910 and 1920, when farm income was stable and satisfactory and ranged on an average of 104 percent of parity. We then enter the succeeding economic period in 1921 and find that farmers were getting only 80 percent of parity. In 1925, with recovery, farmers were receiving 95 percent of parity. Coming down to the year 1953, which the distinguished Senator from New Mexico has mentioned, there was an exceedingly high national income.

Coming events cast their shadows before. Farmers lost more than $2 billion in that year. The national income did not then reflect the loss, but if the distinguished Senator from New Mexico will look up the quarterly figures from the Federal Reserve Board, he will find that as agricultural income slipped, and was continuing to slip, the national income dropped by $6 billion in that year.

I believe if the Senator will chart the progress of the two lines on the graph, "farm income versus national income," he will find that always national income follows, as the night follows the day, the slippage after the farmers have first been hit. I believe it is a well-established fact that our depressions have been farm led and farm fed.

Mr. ANDERSON. I say only that I have analyzed the figures many, many times, and I do not think farm income and national income follow that pattern completely. Normally farm income would have followed national income as it jumped to $240 billion, to $278 billion, to $298 billion, but farm income did not follow that rise because an enormous surplus was hanging over the market, which drove down the farm market and destroyed farm income. So long as we continue to have such a surplus, it will continue to have the same effect.

What have we been doing? We have been spreading an umbrella around the world and saying to people in all parts of the earth, "If you will just allow us to do so, we will hold an umbrella over your agricultural economy and give you

an opportunity to expand your crops." I do not want to use all the figures, but let me refer to a publication called the Land. I read it because I love the land and because I love the people who are interested in the conservation of the soil. This is one of their great publications.

In their last issue there is an article entitled "Can Russians Turn Their Rivers?" Any person who is interested in the ultimate agricultural welfare of this country should read that item. It points out that in 1950, the Soviet Government announced that it intended to build 2 dams on the Volga River, the power stations proposed at the 2 sites being designed to generate 20 billion kilowatt-hours a year—just under the total 1946 production of all powerplants in Sweden and Switzerland combined.

What will happen to the water when these 2 rivers are turned? The water will then be diverted to irrigate some 30 million acres.

Think of it, Mr. President. We all know the tremendous productive capacity of irrigated land. The distinguished and able senior Senator from Arizona [Mr. HAYDEN] knows what happened in the Salt River Valley when areas in his State were taken out of the condition they were in, dry and dusty mesas, and put under the water that came from that project. Today one can fly around the beautiful airport at Phoenix and see mile after mile of the finest dairying land in America, in the Salt River Valley of Arizona.

But the Russians propose a project that can irrigate 30 million acres of land. Do Senators know how many acres of land there are under irrigation in all of continental United States? There are 25,787,000 acres.

That is about 6 percent of all the cropland in this country. After Russia completes this one project alone it will have more land under irrigation in that one area than is under irrigation in all the United States.

What will Russia do with that land? I understand that Turkestan will irrigate 3 million acres of its useless land so that it can increase its cotton production 7 or 8 times over the present figures. That cotton will flow into the world market to push our cotton out.

One of the interesting things I witnessed in the Department of Agriculture when I was in the Department was the showing of colored photographs of cotton being grown in Russia. The photographs showed that dye had been put into the cottonseed. Therefore, when the cotton blossomed on the stem it blossomed in variegated colors. It was pink, blue, and red. That is something the scientists in this country have never tried to do. Russian scientists are producing cotton in all the colors of the rainbow.

Do we want Russia to bring in 30 million more acres of cotton while we put an umbrella of 90 percent parity over them so that the Russians can say, "We do not have to worry about what you do about prices. We know where we can sell cotton. We can sell our cotton a few cents under your loan figure so long as America puts this umbrella over the market."

If anyone wants to know the story of cotton, let him go back to the days when this country floated most of our cotton across the water. All of us have heard the songs about the rivers of the South and the cotton.

Does that cotton move abroad now? Let us find out where the people abroad get their cotton now.

The PRESIDING OFFICER (Mr. POTTER in the chair). The time of the Senator from New Mexico has expired.

Mr. KNOWLAND. I yield 10 more minutes to the Senator from New Mexico.

Mr. ANDERSON. Cotton is no longer coming from the United States. It can come from other areas throughout the world. It can come from every place where we have put an umbrella over the production of cotton, and from every place where, with this high rigid price-support program, we have told people exactly what they can do to compete successfully.

I have before me a table which shows the production of cotton in Mexico in bales. Starting with the period 1935 to 1939, such production averaged 334,000 bales. During the next 5-year period, it was 425,000 bales. The next year it was 472,000 bales. It continued to increase until today the production of cotton in Mexico, 15 years from the time I first mentioned, is nearly 5 times as much as it was in the first period.

How did Mexico attain such production? It was made possible by the fact that we placed a protective umbrella over Mexico's production. We called it a 90 percent of parity program. That made it possible for the people of Mexico to go into the production of cotton, and for their acreage to expand as our acreage shrunk.

When the Russians succeed in turning 30 million acres of land into the production of cotton, what will it do to the prosperity of this country?

If we want to know what is happening, let us find out what has been done across the line in Mexico in the case of tomatoes. Let us take a look at wheat. Production of wheat in Mexico was 14 million bushels in 1935, and 26 million bushels last year. That is the story of what is taking place, and we should realize that all through the world the figures have been going the wrong way for us.

Let us look at the figures representing exports of wheat. I can remember when we were trying very hard to find enough bottoms in which to ship our wheat abroad. I recognize the fact that that condition was due to the war. It was necessary to bring a special man down from New York whose job was to have on hand enough ships so that we could have ships at dockside at all times, in order to avoid loss of time in turning the ships around. In that way we were able to ship 500 million bushels of wheat abroad in 1 year.

In 1946–47 we sent 397 million bushels abroad. In 1948–49 we sent 486 million bushels abroad.

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

Mr. ANDERSON. I yield.

Mr. THYE. The Senator from New Mexico is not trying to convey to us the thought, is he, that there is any relation between the agricultural situation which existed then and the present situation? The time the Senator is speaking of was a time of war. We were doing all we could to help our allies. There is no relationship whatever between those two periods.

Mr. ANDERSON. I believe I knew what was going on, because I was shipping the wheat. I do not believe there was a war going on in 1948. We were in a relative state of peace in 1948. Of course, there was hunger in the world. I know that the situation was abnormal.

When we got those markets in our hands, what did we do with them? We hung on that year to high rigid price supports. That was the year in which the Aiken law was supposed to go into effect. It did not go into effect. It did not go into effect in 1949. In 1949 we shipped 297 million bushels of wheat abroad. Then our exports went down to 205 million bushels. If we want to shut the American farmer out of the wheat markets of the world, this is the way to do it.

We find the same thing to be true of many other agricultural products. We have been trying to ship cotton for a long time. Yet shipments have suddenly stopped. When do we want that situation to apply to tobacco? When do we want it to apply to rice? All we have to do is to say that whenever a new area of the world comes to the point where it may start new agricultural production, we will hold an umbrella over it until its particular agricultural industry is established to the point where it can destroy our agricultural industry.

I do not want that to happen. I have tried to do my best toward giving the American farmer his chance at the world market. When he does not have it, the very thing which the Senator from Oklahoma pointed out in his table happens. It happens every time. Although the national income goes up tens of billions of dollars, the income of the farmer falls off billions of dollars. It falls off because he does not have a chance at that rich, prosperous foreign market.

I hope we shall not continue to treat the farmers of this Nation in such fashion. Our wheat exports are down. Our cotton exports are down. Our dairy exports are down. When do we want that to happen to our peanut exports?

There will come a day when the people of this country will require all the food developed by our great increases in the production of all agricultural goods. That day is not yet here. That day may be here in 20 or 25 years from now. It is not here yet. With the development of new agricultural science, that day may be 50 years off. We have found that we can now obtain from our land twice as much agricultural production as we once thought was the maximum of our production. That development may continue. Agricultural science may keep pace. However, for the present we need markets abroad and we need to be extremely careful, or we shall take away entirely our agricultural markets from our farmers.

Only the other day a group of people who produce long staple cotton in the State so ably represented by the Senator from Arizona, and in the State of Texas, and in the State of New Mexico came in to ask—for what? Not for 90-percent supports, but for the lowest possible limit in the flexible chart. Why? Because they were losing their market to Egyptian long-staple cotton. They knew they could not pile up 30,000 bales of long-staple cotton every year in the Treasury, and not have the program fail some day.

All of us are familiar with the potato program. We had flexibility in the production of potatoes. We were permitted to support potatoes anywhere from 60 percent to 90 percent. We tried it at 90 percent, and then we tried it at 60 percent, but even at that lower figure we could not possibly support the market. We had to do away with it by law. We knew we could not have a potato-support program. No Secretary of Agriculture could be stuck again on $500 million worth of potatoes.

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

Mr. ANDERSON. Does anyone believe that the American people will continue to take steady losses on other commodities? I do not think so. I now yield to the Senator from Missouri.

Mr. SYMINGTON. I have very high respect for the knowledge of the distinguished Senator from New Mexico with respect to the program under discussion and with respect to this particular subject. After the pending bill has been disposed of, it is my understanding that the Senate will very shortly discuss how many billions of dollars this country will furnish to other countries in the form of mutual security or foreign aid.

Based on my experience in Missouri, it would seem that much of that money which it is possible for us to give to foreign countries will come from taxes paid by the farmers in more prosperous times.

I am wondering if my good friend, the distinguished Senator from New Mexico, does not believe that inasmuch as most of the countries which receive our foreign aid funds also need food, it would be possible for us, instead of sending them dollars, to send them a part of the surpluses of our agricultural products, as some of our Senators advocate.

Mr. ANDERSON. Yes; I wish to say to the Senator from Missouri that there is no question about my attitude on that subject. I do not like the set-asides that are being proposed, because I would like to take every bit of the surplus and move it to another part of the world. I think it ought to be moved.

I think this surplus can be used to buy more good will than it would ever accumulate in storage anywhere. I fully subscribe to all the programs which come along for moving the surplus quickly. However, we cannot make much of a claim for getting rid of the surplus wheat when under controls we add 100 million bushels to the surplus this year.

Mr. SYMINGTON. Mr. President, will the Senator yield for another question?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. As I understand, foreign trade is based primarily upon multilateral currencies. Does not the Senator from New Mexico agree that when we provide all the money for foreign aid—taking cotton as an example, which the Senator mentioned, and which often is the largest cash crop in Missouri—and when we find countries which, after they take our aid, make bilateral soft currency agreements with other countries for the purchase of cotton and cotton goods, such procedure should interest us from the standpoint of foreign trade?

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. KNOWLAND. I yield an additional 5 minutes to the Senator from New Mexico.

Mr. SYMINGTON. May I repeat the question?

Mr. ANDERSON. Just the end of it, please.

Mr. SYMINGTON. Does the Senator from New Mexico not agree that, after we have used the money of our taxpayers to provide benefits to other countries, when we find those very countries are not trying to buy our cotton, for example, but rather are entering into soft currency bilateral agreements with other countries, which makes it impossible for our cotton producers to sell cotton in their markets, something should be done about that type and character of transaction, if we are to continue to give aid in dollars?

Mr. ANDERSON. Yes. I think that is just as wrong as it can be.

The Senator from Missouri knows that at one time the Department of Agriculture notified certain people in other parts of the world that if they wanted various commodities, they had to take delivery at the same time of certain other commodities. At that time here at home we had a rule against tie-in sales, but that did not apply to the Department of Agriculture. We tied them in anyhow, and we made people take things we had to sell, because the American farmer was putting up his tax dollar.

I am not opposed to benefits for American farmers. I am not worried about subsidies for American farmers. I have heard all the discussion about how large the subsidies are for newspapers and magazines. That does not bother me a bit. I have only one thing to say: The American farmer will never have an opportunity to obtain his share of the national income so long as we hang over his head the burden of a billion bushels of wheat, 10 million bales of cotton, 450 million pounds of butter, and heaven knows how much cheese and various other things. He does not have a chance while that is happening. The only hope he has is to bring controls into these programs and make it possible once again to see to it that a reasonable amount is available.

I have said many times that the tobacco program is a great program, because it does not cost the Treasury of the United States anything and it treats the farmer well. But it does it, not by producing surpluses, but by producing what the market needs.

Mr. SYMINGTON. Mr. President, will the Senator yield for one more question?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. Based on the Senator's vast experience in the field of agriculture, does the Senator from New Mexico not agree there should be a closer relationship between foreign aid or mutual security and the question of the farm surplus in this country?

Mr. ANDERSON. Not only do I agree but many times I have bumped my head against that stone wall trying to bring about such a relationship.

Mr. SYMINGTON. I thank the Senator.

Mr. ANDERSON. I regret that very frequently our Government forgets its responsibility to the farmers of the Nation.

After all, the Secretary of Labor is supposed to look after the welfare of the laboring man. No one blames the Secretary of Labor if he goes out and does far more than what might be regarded as his simple duty in trying to protect the rights of labor, because that is his responsibility. That is his field.

In the field of agriculture, I think, it is equally the responsibility of the Secretary of Agriculture to look after the interests of the farmers of the Nation. If the State Department has a policy which is not aimed at looking after the farmers' interests, the Secretary of Agriculture should bring up the subject for consideration at every Cabinet meeting.

I hope that will happen. That, I may say, is why I have not been enthusiastic about the set-aside program. I want the entire problem to be given constant consideration by the Secretary of Agriculture. When he comes to his desk every morning, I want him to observe the fact that we have on hand a billion bushels of wheat, or whatever amount we may have on hand. I want him to look at the figures representing the enormous supplies of butter and various other supplies we have on hand.

The Secretary of Agriculture may find that he can ship some of those dairy products to Japan or Korea. He may find a concession now looking after the milk supply of the people of Japan; but I think he can throw that concession out the window and move some of his own commodities over there, and he ought to do that.

I have never been, and I am not now, opposed to seeing American farmers get along well. I sincerely believe that the American farmer should prosper at all times. But these mountains of goods should not be piling up, and there should be only a reasonable surplus. It does not bother me when the surplus of wheat gets up to 300 million or 400 million or 500 million bushels. To be sure, we managed to reduce it to 87 million bushels at one time, but it required pretty tight housekeeping; we ought to have 200 million bushels of wheat on hand for good housekeeping. It would not hurt anyone to have 400 million or even 500 million bushels of wheat on hand, but when the wheat surplus reaches a billion bushels, when every warehouse is filled with surplus commodities, to the point where we cannot hold things on the tracks, then the farmer takes a loss.

Then the farmer has to take what the elevator man is ready to give him, unless he can store his wheat himself.

That is why even when we have the 90 percent support program we get reports that the price of wheat is at 77 percent of parity. That is why we heard the other day that the farmer, even though there is a 90 percent support program for dairy products, was taking 71 percent in many places. We cannot completely get around the law of supply and demand, try as we will, until and unless we get rid of these heavy surpluses. Until we stop incentive production, until we stop saying to the people, "Reach out and produce all you can for awhile," farmers in this country will be in trouble. I believe we will be far better off if we do not raise umbrellas over all parts of the world in an effort to give people who want to grow cotton in Mexico, Russia, and all over the world an opportunity to compete against our own farmers.

The PRESIDING OFFICER. The time of the Senator from New Mexico has again expired.

Mr. SYMINGTON. I thank the Senator from New Mexico.

Mr. AIKEN. Mr. President, I do not know whether the other side has a speaker ready at this time.

The PRESIDING OFFICER. The Chair is waiting for a speaker.

Mr. AIKEN. I find we have used 45 minutes on the amendment, and the other side has used 21 minutes.

The PRESIDING OFFICER. The Chair informs the Senate that the time is running, and that the time will be charged equally to both sides of the question.

Mr. AIKEN. We do not yield the time, Mr. President.

The PRESIDING OFFICER. No one is using the time. The time is running, and will be charged to both sides of the question.

Mr. AIKEN. It will be charged equally?

The PRESIDING OFFICER. Yes.

Mr. CLEMENTS. Mr. President, I yield 3 minutes to the Senator from Montana [Mr. MURRAY].

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana for 3 minutes. Is he taking time on the bill or on the amendment?

Mr. CLEMENTS. On the amendment.

NATIONAL FOREST GRAZING

Mr. MURRAY. Mr. President, in the colloquy on August 4 with regard to the national forest grazing bill, which is now before the Senate as a section of the substitute bill for S. 3052, the Senator from Vermont [Mr. AIKEN] must have confused others besides myself when he kept referring to alleged provisions providing for 30-year leases on the national forests, and for the leasing of forest lands for fur farms, ski runs, and other possible uses that could be made of forest lands.

I have studied the grazing bill, S. 2548, and it does not apply to those things to which the Senator from Vermont [Mr. AIKEN] kept referring. It was a bit confusing to me for the moment to have the author of the pending bill and the amendment relating to national forests make repeated statements that were not covered by the measures under consideration.

The grazing amendment would make drastic changes of a questionable nature in the administrative procedure of the United States Forest Service in the exercising of its custodial responsibilities in regard to the grazing permits that are issued for this one kind of use that is made of Federal lands. The proposal would deprive the Secretary of Agriculture of his present discretionary authority which many of us feel is needed to meet emergencies and changing conditions. An enviable record has been made in the administration of the 180 million acres of national forest lands, and we should proceed cautiously in making any changes in the time-proven policies, especially when those modifications would negate parts of the Administrative Procedures Act that was enacted by Congress after long deliberation.

The amendment which is being proposed would make major changes in the appeal procedures that have worked most successfully for more than two-score of years. There has been no showing that there is any real justification for those changes. At least, such an important move should not be taken until the proposed plan has been studied more carefully. There is grave doubt that the privileged users of the Federal land should be given court review on the administrative determinations of the Secretary of Agriculture, whose first and primary duty is to manage the national forest and Bankhead-Jones lands for the greatest good of all the people.

Grazing is a secondary use of the national forest lands. It is unwise to give priority rights to any one class of users, especially no more than 18,000 grazing permittees, when the timber production and watershed values of those lands must always receive first consideration.

This measure would give certain rights—legal rights—to grazing permittees. They would be urged to make fixed improvements to the national forest lands, and as a result would be given a legal equity in the Federal property. Range improvements by the permittees can be made under the present law, and such improvements actually are being made now by many of the good ranchers throughout the West who are using the national forest lands in a commendable manner. Those improvements are being done under a fair and equitable procedure, but it is with the consent and permission of the Secretary. Settlements for unused equities are possible when a permittee is obliged to discontinue grazing for reasons beyond his control.

The conservation forces throughout the country have registered strong opposition to hasty changes in the administration of the national forest lands. It would be most unfortunate if any such legislation were rushed through during the closing hours of this Congress.

The distinguished Senator from Vermont [Mr. AIKEN] has raised the question as to which organizations were supporting this measure. I believe that the Senator from Minnesota [Mr. HUMPHREY] has, since the original colloquy, introduced in the RECORD a list setting forth the various conservation groups which are still definitely opposed to the bill.

On Wednesday, the Senator from Vermont [Mr. AIKEN] commented that the Senate Committee on Agriculture had modified the original bill, S. 2548, to conform to or reflect certain changes which had been suggested by my colleague from Montana, Representative LEE METCALF.

Merely to keep the RECORD clear, Mr. President, I ask unanimous consent to have printed at this point in my remarks a letter dated August 4, 1954, which I have received from Representative METCALF on this subject, and also an editorial entitled "End Run on Grazing," published in the Washington Post and Times Herald.

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

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 4, 1954.

Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MURRAY: I note in the CONGRESSIONAL RECORD at page 12711 in a colloquy between Senator HUMPHREY and Senator AIKEN it was stated that S. 2548 was modified to meet the objections raised by me in my appearance before the committee.

I appreciate Senator AIKEN's statement and I am grateful that he feels that some of my suggestions were good ones. I agree with him that those that were accepted improved the bill.

However, I do not want any misunderstanding. I am still opposed to S. 2548 as amended. On last Monday I inserted in the Appendix of the CONGRESSIONAL RECORD the same editorial from the Denver Post you read to the Senate yesterday.

My chief objection to this grazing bill is that it is piecemeal and special-interest legislation. Piecemeal because it treats only one phase of a complex multiple-use problem. Special interest because it gives special consideration to the grazing use of forest lands as against other and more important uses.

S. 2548 as amended is a better bill than it was when it was introduced. As it is now before you as a proposed amendment to the Agricultural Act of 1954 it is better legislation than was S. 1491. But it is not yet good legislation.

This problem of grazing and other uses of public lands needs more consideration and more thought than it has been given. Integrated legislation is needed that will protect and safeguard the interests of all the users of public lands—the lumbermen, the miners, the sportsmen, the water users, etc., as well as the grazing interests.

Either as an amendment or as legislation in its own right S. 2548 has not received that kind of consideration.

Very truly yours,

LEE METCALF.

[From the Washington Post and Times Herald]

END RUN ON GRAZING

Spokesmen in the Senate for a small group of western stockmen have pulled a fast one by tacking the Hope-Thye-Aiken grazing bill onto the farm bill. The Hope-Thye-Aiken bill is the measure that would give cattle

raisers who have been granted permits to graze their stock in national forests what amounts to property rights in those lands. It is a thoroughly unnecessary bill, and one which would make more difficult the equitable administration of the forest lands in the interest of other national objectives—watershed and timber protection and recreation, in addition to grazing. The large majority of stockmen who must pay higher grazing fees on private lands would not benefit at all from the bill. This is clearly a case in which Congress is being asked to place a narrow private interest above the broad public interest.

Although the Hope-Thye-Aiken bill passed the Senate last spring, opposition to it became so intense that action in the House has been stopped cold. Promoters now hope to slide it through in conference over farm price supports. The bill instead deserves an early death, not only because of its undesirable features, but also because it furnishes a graphic example of the vicious practice of attaching nongermane riders to important legislation.

Mr. AIKEN. Mr. President, I yield myself 2 minutes in order to comment on the statement just made by the distinguished Senator from Montana [Mr. MURRAY].

The bill referred to in the colloquy on a recent evening, with relation to 30-year leases on sites in the national forests, was H. R. 2762, which passed the House sometime ago with only one short public hearing, and, I understand, with the tacit support of those who are so vigorously and, in some ways, unfairly opposed to S. 2548.

House bill 2762 provides for 30-year leases and, in effect, might give vested rights over strategic sites in the national forests to private commercial interests, if approval should be given by the Secretary of Agriculture. I have no fear that the present Secretary of Agriculture would approve this action, which is permitted by H. R. 2762.

However, I very strongly object to the passage of any bill of this nature without the public rights being safeguarded.

I also understood from the Senator from Montana the other night that all the conservation and wildlife groups in his State were opposed to the bill (S. 2548), which passed the Senate almost unanimously.

I ask unanimous consent to have printed at this point in the RECORD 2 telegrams which I have received, 1 from A. A. O'Claire, State game warden, Montana Fish and Game Department, Helena, Mont.; the other from Tom Messelt, secretary, Montana Wildlife Federation, Great Falls, Mont.

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

HELENA, MONT., *August 7, 1954.*

Senator GEORGE AIKEN:

The Montana Fish and Game Department supports Senate bill 2548 as amended and recommended for passage by the Western Association of State Fish and Game Commissioners at the Las Vegas meeting.

A. A. O'CLAIRE,
State Game Warden, Montana Fish and Game Department.

GREAT FALLS, MONT., *August 7, 1954.*

Senator GEORGE D. AIKEN,
Senate Office Building:

Montana Wildlife Federation approves grazing bill as amended.

TOM MESSELT, *Secretary.*

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous and free agriculture, and for other purposes.

The PRESIDING OFFICER. The Chair seeks additional speakers.

Mr. AIKEN. I suggest that the time run equally to both sides, until speakers appear.

The PRESIDING OFFICER. The time will run, and will be charged equally to both sides.

Mr. CLEMENTS. Mr. President, I yield 30 minutes to the distinguished junior Senator from Georgia [Mr. RUSSELL] on the amendment.

Mr. RUSSELL. Mr. President, it has been stated many times, and truly, that the bill deals with one of the most vital issues which Congress will be called upon to determine. This bill has a direct effect upon the livelihood, the income, and the standard of living almost 6 million farm families in the United States. It so happens that this group of 6 million farm families constitutes the one segment of our population which is essential to the survival of us all. This group produces the food and the fiber which are necessary for our daily existence.

We hear much said about the surplus farm commodities—and there are some troublesome surpluses—but let us not lose sight of the fact that if all the farmers of the United States were to strike for one crop year, and refused to produce for one crop year, the effects upon our civilization would be more devastating than any hydrogen bomb attack, however large and fiendishly contrived it might be.

Our civilization, as we know it, would perish if the farmers of the United States refused to plant their fields, and to go about their daily work for a period of 12 months. We owe a great deal to the farmers of the Nation.

Ours is the highest standard of living which any people has ever enjoyed. We have heard much said about the remarkable achievements in production by our great industrial plants, which enabled us to emerge victorious from World War II. We recall that the plants which reached certain standards of production were given various trophies and citations by the Government in appreciation of their efforts. The industrial plants of the Nation turned out the greatest quantities of planes, tanks, trucks, troop carriers, and all the other various implements of war, which any nation had ever produced.

But let us not lose sight of the fact that all of that production would have been absolutely useless had it not been possible to feed and clothe the men who operated the machinery of war. One of the factors which contributed to our victory was that our troops were the best fed and the best clothed of any which had ever been sent into battle; and we were able to make a similar contribution to the nations which were associated with us in that gigantic effort. So we have some obligation and responsibility to those who have contributed so magnificently in war, and who in these times of relative peace provide us with the necessary wherewithal that we may eat and be clothed.

One would think that this group of almost 6 million farm families, essential as they are to our daily existence, would, at least, have a standard of living equal to that enjoyed by the average American, in whatever walk of life he may be. One would think that this group would enjoy a fair share of our national income. One would think that they would have been remembered in every line of the momentous social legislation which has been enacted by Congress during the past 20 years. But such is not the case. Let us consider some of the great strides forward which have made our civilization the envy of men everywhere.

We know that Americans enjoy more recreation than do any other peoples beneath the canopy of God's Heaven. That is due very largely to the enactment of what is known as the 40-hour week law. The law provides that 40 hours shall be the normal weekly time of labor; and that for any time of employment in excess of 40 hours the worker shall be entitled to either time and one-half or double time in his paycheck.

By the very nature of his calling and vocation, the farmer cannot enjoy the 40-hour week. It is nothing unusual for him, in carrying on his agricultural operations, which involve the greatest amount of drudgery known to man, to work 50, 60, 70, and 80 hours a week. He receives no overtime, no time and a half, no double time for his efforts.

One of the great landmarks in recent legislative history has been the enactment of a law providing an old-age retirement system. Mr. President, in the price of every article the farmer buys he pays ever-increasing social-security taxes, which provide the fund from which will be derived retirement pay by other American toilers who may look forward to retiring in the sunset of their lives. There is no retirement pay for the farmer. I shall not go into the many reasons and the complexities embodied in that fact, but the stark truth is that the farmer is compelled to pay, in the prices of the products he buys, into the retirement funds for other groups, the benefits of which fund he is not permitted to share. He must work beyond the age of 65. He works until death calls him to his last reward.

The farmer is also taxed, in the price which he pays for every article, to contribute to the fund that goes to make up the unemployment compensation funds from which other Americans benefit during the periods they are unemployed. Make no mistake that the tax for that fund is included in the price of every article the farmer is compelled to buy in order to live and to carry on his vocation.

Moreover, the farmer is very often deprived of the opportunity to engage in productive work because of great disasters such as flood and drought. Today we all know that drought is ravaging large sections of our country. We all are aware of the fact that there are periods when insects, pests, and disease strike down that which the farmer has planted and cultivated so assiduously.

The crop is destroyed. But he cannot share in any unemployment compensation fund, though he has contributed to the taxes to establish that fund.

The Congress passed what is known as the minimum wage law. That law benefits nearly all the workers of America, whatever may be their vocation or their walk in life. The farmer helps pay for those benefits. We know that the act was much more far-reaching in its effect than merely fixing a 75-cent-an-hour minimum wage. The law causes price increases all along the line, because when a minimum wage is fixed, all wages above the minimum are increased and the additional cost is reflected in the prices of all articles which the farmer must buy. Yet he does not share from the benefits of any minimum-wage law.

Let us consider the lowest beneficiary under the minimum-wage law, the man who earns only the very minimum, while working 40 hours a week for 50 weeks. He receives take-home pay of $1,500 a year. Now let us consider the income of the farmers of the United States. They have no social security. They do not benefit from unemployment compensation, nor have they the advantage of a 40-hour-a-week law. How does their income rank with the incomes received by other workers?

Mr. President, in spite of his wonderful record of production, as a result of all the benefits which have been provided for every other group of workers in the Nation, as a result of benefits derived from tariffs, and benefits accruing to the recipients of many subsidies, with respect to which statistics have been put into the RECORD by Senators who have informed themselves on the subject, the farmer is still at the bottom of the economic heap. I hold in my hand a study entitled "Farms and Farm People—Population, Income, Housing Characteristics by Economic Class of Farm."

These are not my figures. This is a special cooperative study by the United States Department of Agriculture, Bureau of Agricultural Economics, Bureau of Home Nutrition and Home Economics, United States Department of Commerce, and the Bureau of the Census. It is not a New Deal publication; it was published in Washington, D. C., in June 1953. Let us compare the farmer with the other groups in our national economy.

Here is a summary of farm income:

> Low family incomes appear to be a chronic problem along many operator families on small farms. Three-fifths, or over 3 million, of the farms in the United States in 1949—

That is the last year for which figures are available—

> produced farm products for sale valued at less than $2,500.

That is not net, Mr. President; that is the gross income. That is all they received. I return to the study:

> Many of the operator families on these low-production farms were dependent entirely upon this income for family living expenses, after the deduction of cash farm-operating costs.

In other words, from that $2,500 came all the costs of operating the farm.

> For others, the farm is largely a place to live and provides only a supplementary source of income. They depend largely upon off-farm sources of income. But even when farm and off-farm incomes of operator and families are combined, total cash income in 1949 was often small. Two-fifths reported a family income of less than $1,000; more than 80 percent reported less than $3,000.

Mr. President, I referred a few moments ago to the lowest minimum earnings possible under the wage-and-hour law. I ask Senators to heed what I am now reading from the report published in 1953:

> Altogether, nearly 1,400,000 farm-operator families in the United States reported total income from all sources amounting to less than $1,000 in 1949.

This is significant—

> The operators who reported family incomes of less than $1,000 were somewhat older than all farm operators. In more than a fourth of the cases the operator was 65 years or older.

Mr. President, I repeat, in nearly one-fourth of the cases the farm operator was 65 years and older, an age when other workers were entitled to the benefits of the social security and retirement laws to which the farmer has contributed.

Mr. President, all statistics I have ever seen—whether they come from Government sources or from private sources—still show that the American farmer continues to occupy his time-honored, but unenviable, position at the very bottom of our economic heap, although without him the people of this land could not live, much less enjoy the high standard of living they now enjoy.

The low economic position of the farmer is not due to inefficiency on his part. Today, the proportion of our population engaged in farming is the smallest in our Nation's history. However, farm workers are efficient; indeed, the farm group has become, perhaps, one of our most efficient groups.

In 1910, for example, 34.7 percent of our total population—or more than one-third—were farmers. In that year, it took approximately 1 man out of every 3 in the population to feed and clothe the other 2.

In 1953, only 14.5 percent of our people were farmers, or about 1 in every 7. In other words, 1 farmer was able to feed and clothe 6 other persons in our population. That shows that the farmer had more than doubled his efficiency.

In the present good year, the farmers of the United States have made the words "hunger" and "starvation" obsolete in the United States. That is due to the efficiency of production of those who till the soil. They have produced such a great abundance that we are not only envied by the rest of the world because we enjoy such vast resources of food and clothing, but we have been able to share our bounty with the other nations of the world.

In 1953, the 14½ percent of our total population who lived on the farms received from farming only 5.5 percent of the total national income. But farm income has declined in 1954, as compared with farm income in 1953. The RECORD will reflect that in the course of their remarks, other Senators have adverted to the fact that the per capita income of those who live on the farms was $822, as compared with the per capita income of $1,898, or practically $1,900, of those who do not live on the farms. In other words, the per capita income of the farmers was about half the national per capita average income of $1,751.

Mr. KERR. Mr. President, will the Senator from Georgia yield for a question?

Mr. RUSSELL. I should like to yield to my friend, the Senator from Oklahoma; but my time is limited. If I were to yield to him now, I might not be able to complete my remarks. If, by hastening, I am able to complete my remarks within the time allotted to me, I shall be very glad to yield to the Senator from Oklahoma.

Mr. KERR. I thank the Senator from Georgia.

Mr. RUSSELL. Mr. President, at this time I shall not refer further to all the indisputable statistics, from every source, which demonstrate that our farmers are the most underprivileged class in the Nation in the matter of income. That is summed up more effectively than I could express it in an analysis coming from the Census Bureau, which gives the various ratings of the various farm groups and also gives the average throughout the Nation. I read from that analysis:

> Highest earnings are drawn by professional and technical men; then executives and independent businessmen; then craftsmen and foremen; then clerks and laborers; then factory operatives; then service workers; then laborers; and, finally, farmers.

Mr. President, I emphasize the words "finally, farmers."

When that statement by the Bureau of the Census, analyzing the income of the various groups in the Nation, uses the words "finally, farmers," it states more eloquently than I could state it, the fact that the group composed of farmers, upon which we rely for our day-to-day existence, is at the bottom of the economic heap.

Mr. President, the pending bill will determine whether we will, by legislative enactment, tell the American farmer that we intend to increase the disparity between his income and the income of the other groups of the Nation.

Mr. President, Congress has passed various farm bills. Today, we are operating under a farm law which guarantees, along with many controls, limitations, and restrictions, nine-tenths of what is said to be a fair price—not 100 percent, not ten-tenths, but nine-tenths of a fair price—to the producers of the basic commodities, commodities which are storable, commodities whose production can be controlled at their source. That law provides for parity supports of from 75 to 90 percent for nonbasic commodities. The law gives a great deal of discretion to the Secretary of Agriculture in dealing with such commodities.

Mr. President, I wish to reimpress upon the Senate that the issue now before us is solely related to the basic commodities. I wish to say, further, that

when we pull down the price of the basic commodities, we pull down the price of every other agricultural commodity, I care not whether it be spinach, lettuce, or country-cured ham. We cannot pull down, by way of legislative enactment, the price of the great basic commodities, without eventually pulling down all other farm commodity prices; and Senators who are not interested in the basics may well bear that in mind.

Mr. President, the committee, which has studied this bill very carefully, has, by a majority vote, proposed a continuation of 90 percent supports for 1 year, in the case of the basic commodities. When we speak of continuing 90 percent supports for 1 year, in what kind of a situation do we find the farmer? Senators have already shown that the farmer's take-home pay has been reduced by approximately 20 percent. We know that his income is still further being reduced as a result of limitations on the acreage planted to the basic commodities. The farmer's income will be reduced still further under drastic controls in the year 1955. That is an attack upon his income. It is an attack which is made necessary by the law as a result of the surpluses which were created. They were not created because of any fault of the farmer, for he merely responded to the request of his Government for increased production, but the farmer is being blamed for them. However, under the law it is necessary to bring the surpluses into line.

In the committee bill we find amendments which will reduce still further the farmer's income. The parity formula has been rewritten. I was opposed to it when it was first proposed several years ago, and I do not believe in it now. I believe that the proper parity relationship should represent the relationship between the price of the commodities the farmer produces and the price of the articles he has to buy. But in rewriting the parity formula all farm commodities have been tied together, and it has been determined that parity shall be determined in that way. Under such an arrangement the price of even the smallest and most insignificant commodity can pull down by 3 or 4 points the price of the most important commodity. So there is a flank attack to reduce the farmer's income further by means of rewriting the old parity formula.

Furthermore, it is proposed that the farmer's acreage be decreased next year, thereby still further reducing his income. The farmer's income would be reduced still further under the proposed new parity formula. However, the pending amendment would attack the farmer in the rear by still further reducing, by congressional enactment, his income, which, already in the past 2 years, has been cut 3 times.

Mr. President, there are those who denounce the support system as being a subsidy. I do not consider it to be a subsidy. It is a method whereby the farmers are joined together in their effort to protect themselves from those who, by manipulating the market, would impose upon them. The support system enables the farmers to produce in accordance with the consuming requirements of the Nation. The support system is not a subsidy. For the sake of argument, let us say it is a subsidy. There would be no great cost in connection with the basic commodities that are involved in this amendment. All we need is a Secretary of Agriculture who is sympathetic with the program and has some sympathy for the American farmer. These surpluses could be worked off in a period of 2 years. Such an operation would not cost the taxpayers of this country any considerable amount of money.

Even conceding that the support is a subsidy, I think it is unfortunate that those who are now denouncing a subsidy start to eliminate subsidies by going to the very bottom of the economic heap and picking up the farmer—the man on the bottom—and saying, "You have a subsidy and we are going to take it away from you." I cannot understand why, instead of going down to the cliffs of Wall Street and striking down real subsidies, they must go out to the 3 million farm homes where the total income, not the net income but the total income, is less than $2,500 and say, "You have a subsidy and we are going to cut your price still further and reduce your income still more and take it away from you."

Mr. President, the American farmers deserve better at the hands of the Department of Agriculture. They deserve better at the hands of the American Congress than to be held up as a piratical group exploiting the consumers, bleeding the public. Three-fifths of them have a total income of less than $2,500 a year. The attempt is to array farmer against farmer, and the consuming group against the farmer, despite that pitiful income. Today the farmer is receiving the smallest percentage of the consumer's dollar that has gone to him for the past 12 or 14 years.

I have not been able to understand the terrific dismay and alarm over surpluses, although I admit that with respect to some commodities they have reached the point where they should be brought down through the control of acreage. We are going about that now and are bringing them down. If we extend 90 percent 1 year more and do not make a fourth attack on the income of the farmer, the surpluses will be worked off. I do not feel that they are a great liability. I consider millions of bushels of wheat and thousands of bales of cotton to be an asset. What do the people of the world think about us here in the United States when we express great horror and frantic alarm because we have more wheat than we can eat tomorrow, because we have more cotton than we can wear as shirts next week? They are looking to us with envy because of what we have.

I do not share the frantic fear about a storehouse full of food and fiber accumulated, I reiterate, by the farmer as a result of the request of his Government. He voted to cut it down in 1950 and to go under controls, and the controls were lifted, after he voted for them, on the outbreak of the Korean war.

The idea of the ever-normal granary is not too bad, Mr. President, wherever it originated. It is much better to have a little more than we need than not to have quite enough.

Those who have gone out on the subsidy hunt starting with the farmer, apparently abide by the Biblical injunction, "For whosoever hath, to him shall be given, and he shall have more abundance: but whosoever hath not, from him shall be taken away even that which he hath."

While they are studying the Bible they might look back to the 7 fat years and the 7 lean years. The way the weather is acting now, we could have a very great need for these commodities.

Mr. President, we lose sight of the fact——

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished Senator 10 additional minutes on the amendment.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 10 additional minutes.

Mr. RUSSELL. Mr. President, we lose sight of the fact that the taxpayer has a stake in the commodities which are under loan. What is to happen if the value of these commodities and their market price is reduced by cutting the support price? One thing will be assured. Every bale of cotton, every bushel of wheat or corn, and all the tobacco produced this year will go in under the 90 percent loan that will be in effect until the 1st of January. When the support price is cut down, what happens? The values that are there, in which the Government has an investment, are taken away. It is much better to work off the surplus in the normal course of events without trying to apply a theory which is so fantastic that I cannot follow it—the theory that the farmer, whose income already has been cut 3 times and who is already at the bottom of the heap, will be benefited by applying the ax to him again and cutting him another 10 percent.

The decrease in the value of the commodities which will be in the hands of the Government, if it applies the flexing theory, will cost the American taxpayers hundreds of millions of dollars in basic commodities, whereas there is no necessity for its costing them one dime if the surplus is worked off in an orderly manner.

Mr. President, time will not permit me to deal with all the fictions which have been raised in the debate, in the all-out effort by the administration to disadvantage the American farmer still further. One is the fiction that the farmer himself wants flexible supports. I read in Sunday's newspaper that Secretary Benson, in addressing a college group, had gone back to the assertion that the farmers want the decreased income which comes with flexible supports. Senators should get away from the operators of factory type farms where they have been visiting, where they have been swimming in the swimming pool in the front yard, enjoying the bounty of their table, and admiring

the little bar in the basement, and go out and talk with the 3 million farmers who are getting less than $2,500 a year, and find out whether the American farmer wants his income cut still further.

I can see how the autocracy of agriculture might want it cut, but the little marginal operators would be put out of business. The factory-type farmer would be permitted to take over. Talk to the farmers who live down at the forks of the creek and off the paved roads, and ask them how they feel about this plan.

I said to the Secretary when he was before the Appropriations Committee, "Let us submit the question to the farmers, if you are so confident that is what they want. They voted to put on controls, to get 90 percent supports. Let us submit the decision to the farmer."

The Secretary did the most beautiful job of trimming, and dodging, and hedging that I have ever seen. Finally, he said we would have to let the consumers vote, too, because they were interested.

That is one fiction—that the farmer wants this flexible program.

Another fiction is all the figures that have been given out on the cost of the program. One can pay his money—he does not even have to pay his money; he can do it free—and take his choice of any one of numerous tables that have been submitted. The fact remains, as is clear from the able addresses which have been made by my colleagues on this issue and the tables they have submitted, that the basic program involved in this amendment has not been unduly expensive, but has cost a very small amount.

The consumer subsidy, and all that, cannot be charged to the farmer. It would be just as bad to go back and charge the WPA appropriation up to labor, because we had to appropriate twelve or fifteen billion dollars for WPA back in the days of distress and unemployment.

Mr. President, another fiction is that to maintain free enterprise and a free market we must have the flexible program. All the tariffs have no been eliminated yet. Not a single subsidy has been abolished yet. They are being increased. None of the other artificial supports for anybody else's income have been taken away. I shall not consent by my vote to start on the man at the very bottom of the ladder. Let us start at the top and work down in this drive for free enterprise and to abolish subsidies. A few years ago I was told that it was possible to buy a binder manufactured in the United States at a much lower price in Stockholm, Sweden, than in the United States. I do not know whether that is true. I assume it is.

Let us change that condition first. Let us first bring into line what the farmer has to buy, before we make this further drastic attack on his income.

It is said by the proponents of the amendment that they want to have fewer controls over the farmer. They say they want to do away with bureaucratic controls.

Mr. President, whether the support is fixed at 75 percent, 80 percent, or 90 percent, the farmer will never know the difference so far as controls are concerned. Whether it be 90 percent, 75 percent, 80 percent, 82½ percent, or 85 percent, the average farmer will still have exactly the same acreage, and he will have exactly the same cost of storage. The only difference will be that we shall take another considerable chunk out of his already small and diminishing income. That is what the amendment would do. It would not do away with one bureaucratic control. It would not do away with one item of cost of storage, or one element of control.

Another fiction is when the proponents say, "Let us change the farmer's crop to other commodities. Let us get him out of the production of the basic commodities into something else, as we impose the limitations and controls."

The Secretary of Agriculture has issued an executive order, which is substantially written into both these bills, to the effect that the farmer cannot do anything with the land that he is taking out of cultivation so far as the salable agricultural commodities are concerned—and the acreage will be reduced further in 1954. He cannot plant it in marketable commodities, he must plant it to grass, or it will have to be plowed and permitted to lie fallow.

The proponents talk about getting the farmers into something else. That cannot be done because an executive order is in existence under which the farmer cannot go into production of anything else. That is what is happening. All that has been said along that line is complete fiction. All that has been said in support of flexible controls is just so many balloons that have been blown up to confuse the public, by setting the farmer against the consumers, and one group of farmers against another group of farmers. When we put the searchlight of truth on those balloons, they explode. Those arguments are the poorest justification I have ever seen for further cutting the pathetic income of the average American farmer.

How about applying that line of reasoning and technique to something else? How about applying it to another segment of the American economy? In other words, if we get a surplus in any other commodity, let us cut the price. Suppose we were to go into an area of surplus labor and tell a group of laboring men, "There is a surplus of labor here. The only thing for you to do is to take a 25 percent reduction in your pay, and work 60 hours a week without getting time and a half for overtime." That is what we are telling the farmer, in effect. We would not dare tell that to any other group of labor or to any other group of producers. We would not dare say to one group, "You are producing too many electric fans. We will pass an act in Congress compelling you sell the fans at 20 percent below what they cost you to manufacture them." What kind of rebellion would we have in this country if we said anything like that to any other group of labor or industry? Yet we are saying that to the American farmer. It is utterly fantastic.

I shall not go into the question of what the Republican Party promised the farmer. I have witnessed the exercise in semantics that has been indulged in on the floor of the Senate, as to what the President meant. I know what I thought he meant. I heard two of his speeches. One of them he delivered at Brookings, S. Dak., and the other at Kasson, Minn. I listened to them on the radio. I became somewhat concerned as I listened to those speeches. I got the impression—and I am sure some farmers got the same impression—that he was not merely for 90 percent of parity, but that he was for 100 percent. I got the impression that if he could not get it in any other way, he would do it with supports. I was worried, Mr. President, because I could not vote for 100-percent supports. I decided the situation would be very anomalous. I, who had been supporting farm legislation all these years, would be forced to vote against the guaranty of 100 percent of parity, which the President was advocating in the campaign.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. JOHNSON of Texas. I yield 5 additional minutes to the Senator from Georgia.

Mr. RUSSELL. In this country the basic commodities are storable and can be controlled at the point of production. We have never had the requirement of 90-percent supports without having available the means to control production. Every farmer, whatever he may be producing, and wherever he may live, has a stake in the vote on this bill. A vote in favor of the amendment will be interpreted as meaning that the way to help the farmer's income is to still further cut the price of what he sells.

I do not have the time to go into all the arguments that have been made to the effect that to cut the farmer's income would help the consumers. I merely wish to make one prediction. Even if the 80-percent amendment is adopted—and I do not claim to be a prophet or the son of a prophet, but I have watched farm trends—and even if the reduction pulls down with it some of the commodities other than the bonus, the consuming public in the United States will never know the difference.

I will still stand on my prediction, that the consumer will not know the difference. The reductions will be absorbed by the processors and handlers but they will be disastrous to the farmer.

The farmer has already had his income cut from three sides, and now it is proposed to cut it again. I have some figures which come from the Department of Agriculture relating to this issue. I asked the Department of Agriculture to give me the relative values of the total assets of all the farmers of America over a period of years. I do not have the time to go into the figures thoroughly, but from 1952 through the preliminary study of 1954, the total assets of the American farmer—has land, his house, his machinery, his herd of cattle, his commodities and all that he has—have come down in the 2 years since 1952 a

total of almost $14 billion. That is the figure supplied by the United States Department of Agriculture. His income has been cut three ways. His total assets are off $14 billion. His acreage will be cut again next year. Now it is proposed in this amendment to cut it again. I say it is not fair. I do not want to be critical of any Senator, because I assume every Senator is honest in his position, but it seems to me to be almost un-American to tell 3 million farm families that their income is too high and that it will have to be cut still further. This amendment should be rejected.

Mr. KERR. Mr. President——

Mr. RUSSELL. Mr. President, I yield for a question to the Senator from Oklahoma, if I have time.

Mr. KERR. Mr. President, the distinguished Senator made a statement a little while ago which was most impressive. He said that in 1953 the farmers' percentage of the total national income had been reduced about 5½ percent.

Mr. RUSSELL. That is from farming. His total income from all sources was about 7 percent of the total but income from farming was 5 percent of the total national income.

Mr. KERR. It would be still further reduced this year, would it not?

Mr. RUSSELL. That is correct.

Mr. KERR. I ask the Senator from Georgia if it is not a fact—and it is my impression that it is a fact—that that represents a smaller percentage of the national income than the farmer received from the same source in 1932. Is that correct?

Mr. RUSSELL. It is smaller by fourtenths of 1 percent than in that disastrous, calamitous, depression, and privation year of 1932.

Mr. KERR. In other words, what it would mean would be that the farmer's percentage of the national income from that source would be forced down this year, and forced down still lower next year, when it is already below what it was in the midst of the Hoover depression?

Mr. RUSSELL. It seems to me that conclusion is inescapable.

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

Mr. RUSSELL. I yield.

Mr. SYMINGTON. I know that the distinguished Senator from Georgia mentioned the importance of having a surplus of food. I am reminded that he also knows about it because of his membership on the Armed Services Committee.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. JOHNSON of Texas. I yield one additional minute to the Senator from Georgia.

Mr. SYMINGTON. He knows about the stockpile of many millions of dollars of materials, some of which are critical and some of which are not critical. Based on the distinguished Senator's knowledge of modern atom- and hydrogen-bomb warfare, would he not say that in the event of war one of the most important stockpiles in the world for the American people would be a stockpile of food which was not perishable when stored?

Mr. RUSSELL. There can be no question about that. As I said earlier in my remarks, no amount of military equipment will avail us unless we have the necessary food and clothing for our troops and also the people behind the machines on the home front.

Mr. SYMINGTON. In addition, in the event of attack and the disruption of transportation facilities, would not one of the most important stockpiles in the world be the stockpile of food?

Mr. RUSSELL. There can be no question about that. I thank the Senator for his suggestion.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. SCHOEPPEL. Mr. President, in the absence of the Senator from Vermont [Mr. AIKEN] I yield 10 minutes to the junior Senator from California [Mr. KUCHEL].

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. How much time remains on each side?

The PRESIDING OFFICER. The Senator from Texas has 80 minutes on the amendment; the Senator from Vermont has 98 minutes.

Mr. JOHNSON of Texas. And on the bill?

The PRESIDING OFFICER. On the bill the Senator from Texas has 60 minutes, and the Senator from Vermont has 87 minutes.

THE ISSUE BEFORE US

Mr. KUCHEL. Mr. President, the question now before the Senate is not the elimination of price supports for those commodities which have been found by the Congress to be basic. The question before the Senate is, Shall it be the policy of the Government of the United States to continue a system of guaranteeing an unwanted surplus of those basic commodities at 90 percent of parity, or shall the Congress establish a policy of flexible price supports and permit the Department of Agriculture to determine the basis as between 90 percent and 80 percent of parity?

I suppose there is a third part to the question. If the Congress takes no action whatsoever, a law previously adopted by the Congress, the Agricultural Act of 1949 will automatically become effective next January first. If that contingency should arise and the act of 1949 should go into effect, we shall have in this country a flexible price-support base, under that statute, of between 90 percent and 75 percent of parity.

THE DAIRY PICTURE

I remember 2 years ago the Secretary of Agriculture was quoted in the public press as being gravely concerned with the situation in the dairy industry of America. So were all of us. He took no action at that time, although under the law he had this authority. With respect to perishable products, such as dairy products, he had authority to vary the 90 percent price support which that industry had enjoyed, and to reduce it. He permitted a year to elapse, and this year, displaying courage—and even those who disagree with the basis on which he made his decision will grant him courage—the Secretary of Agriculture, Mr. Benson, announced that he was going to lower the price support for dairy products from 90 percent to 75 percent.

I speak as a non-farmer in this instance. My family and I have a few acres of oranges in California. We do not enjoy price supports for our products. But, as a layman, I know what happened when that action on dairy products was taken, because I read it in the newspapers. I listened to what transpired. Until the Secretary took that action, the consumption of butter in America was steadily going down. Some of the members of my family were refusing to buy butter at the grocery stores in the town in which we live. So were some of you and so were thousands of families across the land. When the Secretary of Agriculture took the step to cut price supports on dairy products from 90 percent to 75 percent, the consumption of butter in America started climbing. That was a good thing.

So it seems to me, Mr. President, that in this instance there is considerable reason why we should follow the recommendations of Mr. Eisenhower and the Secretary of Agriculture by adopting a flexible price-support program.

In my view, the idea that rigid supports are essential to prosperous conditions for the farmers is completely fallacious and without foundation. The fallacy behind this contention is shown clearly by Agriculture Department statistics. An analysis of farm income figures for the year 1952 reveals that less than half of the cash receipts of American farmers came from crops for which the Federal Government provided price supports.

The so-called basic crops enjoying price support accounted for only 23 percent—less than one-quarter, Mr. President—of total United States farm income. And the assortment of nonbasic commodities, which includes dairy products about which so much commotion occurred early this year, account for an even smaller proportion, only 21 percent.

The question whether continuance of rigid supports is essential to the well being of American agriculture is highlighted by the figures for my own State, California is one of the most important agricultural States of our Nation. In instance after instance, it ranks near the head of the list as a producer of different crops. Even thickly settled Los Angeles County is disclosed by Census of Agriculture figures to be a major agricultural production area.

RIGID PRICE SUPPORTS AS THEY EFFECT CALIFORNIA

I should like to cite to my colleagues the figures for my State of California. In 1952, only 13 percent of the income of California agriculture came from the six basic commodities. Receipts in my

State, which produces an important quantity of only 1 of the 6 basic crops, cotton, amounted to $365 million. On the other hand, Mr. President, the earnings from nonsupported commodities were roughly five times as great. California producers of nonsupported crops received $1,825,000,000 in 1952. Thus, Mr. President, 67 percent of the farm receipts in the important agricultural State of California came from products which do not enjoy—or demand—artificial props.

There is another aspect of this imbalance which I wish to point out with direct reference to California. Everybody knows that the price-support program has boosted the cost of feeds for meat animals, poultry, and dairy herds. The impact of the rigid supports on California agriculture can best be realized by a reference to the 1952 farm-income figures I have been mentioning. In California, 38 percent of the cash receipts of agriculture, which amounted to $1,026,000,000, was derived from this source, meat animals, dairy and poultry products, the cost of production of which was materially higher because of the level to which price supports had boosted feed grains. In final effect, Mr. President, the rigid support program has penalized the branch of agriculture which accounts for well over one-third of the total farm cash receipts in my own State.

If these few illustrations are not sufficient to refute the claim that rigid supports are imperative to overall farm prosperity, let me point to a comment in the minority report from the Committee on Agriculture. My colleagues of the committee who refused to go along with the continuance of the rigid support policy noted that the citrus industry—which, as everyone knows, is a vital part of California agriculture—gets along without artificial props. Listen to these sentences from the minority report:

> To those who insist that producers must have 90 percent of parity supports in order to obtain a fair price, we call attention to the fact that today the average price of grapefruit is about 22 percent of parity. Yet we do not have the grapefruit producers insisting that they need a price-support program. Oranges have consistently averaged in the neighborhood from 40 to 60 percent of parity, yet the orange industry does not believe the answer is price support.

DANGERS INHERENT IN A RIGID PRICE-SUPPORT POLICY

Mr. President, I wish my colleagues who are committed to the principle of rigid price supports would contemplate a few illustrations of this weakness in our recent policy. If not a single bushel of wheat were harvested this year on American farms, the July 1 carryover of grain previously produced would be enough to fill domestic needs and take care of all foreseeable export demands for more than a whole year. The same is true with another of the favored crops, cotton. The carryover at the beginning of the new crop year starting August 1 is estimated at 9.6 million bales, much of which almost certainly will end up in storage with the taxpayers footing the bill for rent. An all-time record carryover of corn, something near 900 million bushels, is forecast for the crop year beginning October 1.

To emphasize what this policy of rigid supports has cost, I wish to point out that the valuation on Uncle Sam's investment in farm products as of last March 31 has hit an all-time high of $6,229,000,000. This is an amazing figure. It means that every single person in the Nation has an investment of $38.90 in the commodities already owned outright by the Government or pledged as security for Government loans.

The terrifying danger implicit in continuing the program of rigid price supports lies in the fact that in the last year there was a jump of $2,800,000,000 in Commodity Credit Corporation holdings. In a single period of 12 months, the amount of added loans and inventories mounted $17 for each individual in the national population.

Can the United States continue putting up granaries and warehouses, storing commodities in caves and mothballed ships, until another war pulls the CCC out of its financial distress? Two wars in 15 years brought on the conditions known as farm problems, and the failure to readjust practices and methods since the end of World War II has intensified the acuteness of the difficulty with which we now are wrestling.

The studies that have been made in recent months, during the search for a sounder policy, a more promising remedy for our economic illness have brought out further evidence that the treatment we have been using no longer suits the patient.

Under present law, preferential treatment has been given to certain crops regarded as basic commodities. Yet of the total cash receipts from farming, only 23 percent comes from those particular articles. The Federal Government has been pumping out dollars to keep up to 90 percent of parity the price of wheat, corn, cotton, rice, peanuts, and tobacco despite the fact that only 23 cents out of every dollar of agricultural income can be credited to the production of these commodities.

There is another side to this question which should make it plain the fixed price principle will not solve the problem. Looking at this other side, I want to point out that during the past 21 years the market prices of products which have not been favored by rigid supports have averaged 7 percent higher than the prices of the favored commodities. This suggests quite strongly that a law of supply and demand, assisted by a flexible support program, would be a more dependable and more effective means of insuring better returns to agriculture as a whole than the rigid support system.

One phase of the farm problem as I have said has received a good deal of attention, probably because it is one that consumers understand and appreciate better than the other aspects. This is the matter of dairy prices and their supports. The Federal Government, which lowered the floor under butter, milk, and cheese early this year has on its hands, already in the tremendous inventories, enough butter and cheese to furnish every single American with 2 pounds of each. If the price is to be forced higher and retail costs to the consumer bound upward again, a decline in demand is bound to result. The city-dweller will be unable to keep consuming at present levels, with the result our Federal holdings necessarily will mount. And, the tragic result would be the ultimate end of the dairy industry as we have known it.

Along this line, I have been intrigued by the merchandising campaign which has been going on recently to stimulate the consumption of milk. I am sure many of my colleagues have heard on the radio and television the messages to drink a glass or a quart or some other amount of milk daily. Instead of putting a high floor under dairy products and make it more difficult for the American people to purchase and consume, we should give a hand to this effort.

I feel a good deal of the farm problem might partially be solved by methods of this kind. A suggestion has been sent me that if the men in the armed services had an extra ration of milk daily the excess volume that has brought demands for a return to higher support levels would be greatly reduced. Every one of us has seen or heard of men in uniform just returned from duty at some foreign post or on leave from a remote installation trying to fill up on milk they have been craving. Perhaps if the armed services installed dispensing machines, similar to those which supply soft beverages, the clamor for a higher Government flood under dairy prices would quiet down.

From virtually every point of view, it has become clear that the agricultural problem we are trying to solve is one of unbalanced production that will continue to plague the Nation as long as our policies encourage surpluses. A flexible support system, which will supplement and bulwark the law of supply and demand, will apply commonsense to the situation we cannot endure indefinitely.

I am convinced that those who believe fixed supports are essential, that they are the only way of curing the farm problem, are victims of a mirage. They see only a false vision of dollar signs shimmering over a desert of Government purchases, or beyond a shining sea of loans. I believe the best way to treat the situation is to get our eyesight off the artificial parity props that are holding up a farm structure which is fast showing signs of toppling under its own weight.

In the interest of time, Mr. President, I wish to point out the perfectly astonishing fact which the American people do not seem to be aware of, that every single day it costs the Government of the United States $700,000 merely to pay the cost of storage for the surpluses which have been accumulating.

REACTIONS IN MY STATE

An hour or so ago I returned from the State of California. Yesterday I spoke with a number of people who were gathered together at the Capital of my State. Many of them were farmers. A number of them were dairy farmers. I thought

it was incumbent upon me to indicate my thinking on the issue which would be before the Senate this afternoon. I told them candidly that as I had sat in the Senate and listened to Senators on both side of the aisle debating pro and con the question of continuing the rigidity of price supports, or on the contrary, accepting the Eisenhower philosophy of flexible price support, I had concluded that it was in the interest of the consumers, the taxpayers, and the farmers of America that I should support the program of the present national administration.

After making that statement, I was perfectly delighted to have not one, but a number of people in the dairy industry in California, come to me and tell me they were in favor of the Eisenhower program and that they approved the action of the Secretary of Agriculture in reducing support prices on the products which they make, and that they did not want to have a condition in which they would be spoon-fed by a statutory narcotic, and at the same time see the consuming public of America forget all about butter and purchase instead butter substitutes for the tables of American families.

So, Mr. President, I intend to vote not to eliminate this governmental guaranty to the farmer on these basic crops. That question is not before us. I propose to follow the recommendations which will permit the Secretary of Agriculture to determine in his sound discretion between nine-tenths of parity price and eight-tenths of parity price, what the support shall be, and make that determination in the interest of all the people of the United States.

The PRESIDING OFFICER. Does the Senator from Vermont [Mr. AIKEN] wish to yield additional time?

Mr. AIKEN. I yield 10 minutes to the Senator from New Jersey [Mr. SMITH].

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I certainly do not rise to speak on this subject as an expert in agriculture, but, representing in part, as I do, a State which is known as a farm State, I feel that I should make a few remarks on the pending bill, and especially on the amendment of the Senator from Vermont [Mr. AIKEN]. Our farm bureau is naturally very much interested in all these problems, and we in New Jersey are concerned about our truck gardening, which is one of our most important agricultural endeavors. I have had prepared for the RECORD a brief statement which I wish to present to my colleagues, regarding one of the problems confronting a State such as mine, which is engaged in the important truck farming business.

Mr. President, I wish to make a brief statement in opposition to S. 3052 as amended by the majority of the Senate Agriculture Committee. I intend to support the senior Senator from Vermont in his fight to enact the President's farm program with its provisions for flexible price supports. I believe that a continuation of rigid price supports, as recommended by the committee majority, will have an adverse effect on our foreign affairs by continuing present impediments to trade and thus aggravating our relations with our friends in the free world. Mandatory 90 percent rigid supports make it impossible for us to meet export competition and force other countries who are unable to pay the price of American exports to turn to nations outside the dollar area.

On the domestic side, the result of rigid price supports has been tremendous surpluses which depress the market, and an increase in the cost of food to the consumer.

But what I wish to discuss more specifically at this time is the relationship between the rigid price-support program and diverted acreage. I am very much concerned that continued rigid Government price supports and the cutting of production of some basic commodities will result in diverting that acreage into production of other commodities such as vegetables. By the operation of the price-support laws and the adjustment programs, millions of acres are being released from the production of wheat, cotton, corn, tobacco, and peanuts for production of other commodities. In the case of several basic commodities, farmers must restrict their acreage devoted to these crops in order to obtain price support. As the minority report of the Senate Agriculture Committee points out, supporting the price of basic commodities and diverting acreage from the production of those crops does not solve the farm problem. As a matter of fact, it just shifts it.

The American vegetable grower has been producing efficiently on a basis of supply and demand. But if more vegetables are produced than the demand requires, the effect on the present growers of vegetables would be disastrous.

In the State of New Jersey, we are keenly interested in the production of fresh and processed vegetables. In 1953 about 173,000 acres were devoted to vegetable and potato production in my State. During the same year about 6 million acres of land throughout the entire country was devoted to the production of vegetables and potatoes for the fresh and processed markets. Of this amount, approximately 2,200,000 acres were devoted to the production of fresh vegetables, and about 1,800,000 acres to the production of processed vegetables. When it is considered that more than six times that amount of acreage is being diverted from the basic crops, it becomes quite apparent that the threat to the vegetable industry, which neither has, nor seeks price supports, is a very serious matter. According to the testimony of Mr. A. Lee Towson, president of the Vegetable Growers of America, he said:

> If 1 percent of these 30 million diverted acres for 1954 should go into vegetables, we would have an increase of nearly 10 percent in our vegetable acreage—a disastrous surplus.

The farmers of my State derive 14.6 percent of their total income from truck crops. This amounts to $50 million. If acreage formerly devoted to basic crops is diverted to vegetable production, there will be a serious cut in such income of New Jersey farmers. To the extent that price supports encourage excess production, the problem of diverted acreage is increased.

Are we thus to initiate another program in surplus crops, this time in vegetables? Are we to witness a flood in the vegetable market similar to that which has occurred in the market for our basic commodities? We certainly have a serious enough problem on our hands in regard to our basic crops, without encouraging in this proposed legislation a potentially disastrous problem for the American vegetable grower.

We must not permit the use of diverted acres in a way that would be damaging to that half of our agricultural economy which is operating under the law of supply and demand. A flexible price support program which will allow shifts to be made without undue subsidization would be a vast improvement as far as New Jersey farmers are concerned, and, in my opinion, as far as farmers throughout the country are concerned. Continued rigid price supports will only further aggravate the problem facing American farmers today.

We should at least make it clear to the Secretary of Agriculture that we do not expect the acreage diverted from the basic crops to be used to destroy the producers of other commodities who are not obtaining and who do not want price supports.

We certainly should not create a new problem for the vegetable growers and other farmers, so that the old problem created by rigid price supports may be continued.

For this reason, and others, I shall support the pending amendment of the distinguished chairman of the Senate Agriculture Committee [Mr. AIKEN] and any other amendments designed to enact the flexible price support program recommended by President Eisenhower.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BUSH in the chair). The question is on agreeing to the amendment of the Senator from Vermont.

Mr. AIKEN. Mr. President, I yield 15 minutes to the Senator from Wyoming.

Mr. BARRETT. Mr. President, I should like to address a question to the distinguished chairman of the Committee on Agriculture and Forestry.

On page 37 of the Senate bill, the following provision is found:

> SEC. 703. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers.

Unfortunately, the bill does not define the word "producers."

On page 38, line 9, of the bill, there appears the following:

> The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool.

It is my understanding, Mr. President, that it was the intention of the committee to leave to the determination of the Secretary of Agriculture the matter of the payments on pulled wool. It is fair to assume that, with respect to shorn wool and mohair, the producer, as is the

case under previous loan and purchase programs, would be the owner of the sheep or goats at the time of shearing. With reference to pulled wool, the original producer markets his wool as a part of the live animal. That presents a new problem.

I understand that the Committee on Agriculture and Forestry intended by the bill to permit the Secretary to continue to treat the wool puller as the producer, or he may, if he finds it more practicable, make payments to a prior producer who marketed the live animals with the wool thereon. The amount of payment in such instances could be determined on a calculated basis, or on such other basis as the Secretary would deem practicable, without reference to the subsequent pulling of the wool.

I should like to ask the distinguished chairman of the committee if that is his understanding of the intention of the committee in writing this proposed legislation.

Mr. AIKEN. Mr. President, I will say to the Senator from Wyoming that that is my understanding of the intention of the committee in writing the proposed legislation. While the Secretary could continue to treat the puller of the wool as the producer, nevertheless, he may also, if he finds it more practicable—and in the opinion of many of us he would find it more practicable—make the payments to the actual raiser of the sheep. He would, in certain circumstances be permitted to make payments to the processor or the puller. Nevertheless, payments directly to the grower of the sheep or the lamb would be permissible if the Secretary found it more practicable.

Mr. BARRETT. That was my understanding.

Mr. AIKEN. The understanding of the Senator from Wyoming is correct.

Mr. BARRETT. Mr. President, the subject matter of this debate presents a massive problem. There are no easy answers. Farm prices reached a peak in 1951, after the impact of the Korean war made its mark upon our farm economy.

However, during the last 2 years of the Truman administration and during the nearly 2 years of the Eisenhower administration, farm income has declined steadily. Farm income dropped from an all-time high of $33 billion, in 1951, to $31 billion at the end of the Truman administration, and it dropped to $29 billion after nearly 2 years of this administration. The total decline of $4 billion in as many years is bad news, not only to the farmers of America, but to all Americans. It means that the farmers' purchasing power is reduced; and thus, of course, he cannot buy the automobiles, the tractors, and the countless other products of the manufacturing industries of our country. It was inevitable that, in the long run, the bad effect on the agricultural community would adversely affect the economy of the country as a whole.

The total decline in farm income was 12 percent; but the income from cattle declined over 20 percent during the same period. Any reasonable man would be forced to admit that in the light of these facts, the present farm-commodity-support program has broken down and has failed completely to do the job it was designed to do. It may well be, Mr. President, that the program of flexible supports will not be the complete answer, but the administration program seems to be a step in the right direction.

The proposal to set aside a substantial part of our burdensome stocks and to eliminate them from the computations in arriving at price supports should have a salutary effect on the support program. Only 20 percent of our farm income is obtained from the basic commodities, save tobacco. Only 7 percent of Wyoming's farm income, Mr. President, comes from the basic commodities. It seems to me, Mr. President, that a moderate change from the rigid 90-percent-support price to a modest flexible program, along with the set-aside provisions of the administration bill, in addition to the administration plan to expand exports of American farm products, should provide a sound basis for a prosperous agricultural economy.

Mr. YOUNG. Mr. President, will the Senator from Wyoming yield to me?

Mr. BARRETT. I am glad to yield to the distinguished junior Senator from North Dakota.

Mr. YOUNG. I think the Senator from Wyoming realizes that corn and most other feed grains are selling at around 80 to 85 percent of parity. Does the Senator from Wyoming feel that feed grain prices should be lower, in the best interests of the cattle growers?

Mr. BARRETT. I feel that the price of corn and other feed grains should be kept in proper relationship to the price of the finished steer that goes on the market. I think it is economically impossible to raise a steer and sell it to a feeder in the Midwest; and expect that feeder to feed out the steer on $3 corn and sell it on the market at present prices. In other words I think the producer on the range would have to sell the steer to the feeder at less than the cost of production.

I can make myself clear by saying that the price of everything the cattle feeder in the Middle West must take into consideration in arriving at the price that he must get for the finished steer is fixed, except the price of the feeder steer on the range in the West. In other words, the price of corn is fixed at 3 cents a pound, by reason of the support price of $1.60 a bushel. All the costs to the cattle feeder are fixed—including the shipping costs, labor costs, and the costs of practically every other item going into the cost of the finished steer when it is ready for slaughter—except the price of the feeder steer that is produced on the western range. So if the price of prime beef is such that a feeder cannot pay $1.60 a bushel for corn to feed the steer and bring it into finished condition, it is natural that he will expect the producer in the West to reduce the price of the steer from the range so that the feeder will be able to feed it profitably. That is the dilemma in which the cattlemen find themselves at the present time, as the Senator from North Dakota well knows.

Mr. YOUNG. Would it not naturally follow that if there were cheap corn and if other feed prices over an extended period of time were low, there would be greater production of animals and more surplus of beef, hogs, and poultry at prices ruinous to those producers?

Mr. BARRETT. No; I do not think that would follow, because I think the people of the United States have become accustomed to eating prime beef. Until recently we have not had an adequate supply of good, prime beef on the market for a long time. It is true we have a surplus of cattle at the present time. As of last January we had approximately 95 million head of cattle, an all-time high. But at the same time the people of the United States have shown that they can and they will consume beef—particularly the better grades of beef—if it is offered to them at fair prices.

The cattle population increased about a million head last year. Over the last 3 years, the cattle growers of the West have suffered a drop of 30 percent in their income.

Let me call the attention of the Senator from North Dakota to the fact that although we have an all-time high of cattle numbers in the United States that last year we slaughtered 36,700,000 head of cattle, the highest slaughter in the history of the Nation. The people of the United States consumed about 75 pounds of beef on a per capita basis. They were glad to get it when they could get it at a reasonable price. The only reason why the price of beef was down was that thousands upon thousands of producers in the Southwest and the West were compelled to ship their cattle because of the fact that we had adverse weather conditions and because the drought was rather widespread.

Nevertheless, this year we find that as of this date, we are slaughtering approximately 2 million more cattle than were slaughtered as of this date a year ago. The serious inroads of drought, forcing many stockmen to liquidate their herds or to reduce them materially in size, has resulted in an increase in the number of cattle and calves slaughtered so far this year, as compared with the number slaughtered in the same period a year ago.

So it seems to me the people of the United States have demonstrated quite clearly that they will and they can consume the beef, if it is available to them at reasonable prices.

During the first 5 months of this year, the number of cattle slaughtered totaled 9,806,000 head, as compared with 8,717,000 slaughtered in the same period last year, or an increase of 1,089,000 head. In the same 5-month period, the slaughter of calves amounted to 4,901,000 head, as against 4,156,000 a year ago. That is an increase of 745,000 head over a year ago. For the first 6 months of this year, the total slaughter of cattle and calves exceeded that of the same period a year ago by 2,111,000 head.

Mr. President, I may say it is ridiculous to believe that the people of the United States condone the production of

corn in such tremendous quantities and then putting it in storage until some of it spoils rather than to let it go into the normal channels of trade, to produce meat, as it was designed to do by a beneficent Creator.

Mr. President, let me refer specifically and concisely to the relationship of one of the basic commodities to the cattle industry—a vital link in the balance of the agricultural industry. Despite all our theorizing, the ultimate consumer is the one who fixes the prices of our agricultural products. Corn reaches him in the form of meat. The only sound way to establish the price for corn is through cattle. Anything other than a proper correlation of the values between corn and livestock is injurious to both corn and cattle.

In the beef raising industry the two big items in the final cost of beef are the price of feeder cattle and the price of the feed itself. A fair balance among all these prices must be preserved in the interests of ranchers, feeders, and consumers. It seems to me to be unsound to maintain a floor under feed grains beyond the point where the cattlemen can utilize them. High supports slow down the normal marketing of livestock and permit the accumulation of dangerous surpluses of commodities. Our Western and Southwestern cattle raisers are just as dependent upon the maintenance of a favorable cattle feeding ratio as are the feed-lot operators in the Middle West. The demand for feeder cattle from the ranges rises and falls with this feeding ratio. Feeder cattle bring favorable prices only when it is possible to make a fair profit in finishing them for the market.

So it seems to me that the support of corn prices on a flexible basis, rather than on a rigid, 90 percent basis, will maintain the historic relationship between corn and beef. Then, and only then, will corn find its true value, as reflected by the price of the livestock that consume it. There always has been, and there always will be, a close relationship between the price of livestock and the price of corn. It has always been considered that prime beef should bring approximately 10 times the price of corn. With corn supported at nearly 3 cents a pound, choice steers should sell for at least 30 cents. Unfortunately, that is not the case; and because of that, many growers and feeders have gone broke. At the same time, we have built up the greatest surplus of corn in history, largely because high, rigid supports have often made it more profitable to deliver corn to the Government rather than to feed it to livestock.

Department of Agriculture figures show that our carryover of corn as of next October 1 is estimated at nearly 1 billion bushels—950 million bushels, to be exact. This carryover will be more than twice what it was several years ago, when the supply was about normal.

But with the high price of corn at the present time, the corn is going into storage, and the fat animals are being sold on the market for considerably less than would be indicated by the normal price ratio.

Mr. President, the worst thing, it seems to me, is the fact that although the price of corn has adversely affected the cattle growers and feeders of the country, now there is an attempt to put other feed grains on approximately the same basis. It would seem to me that would compound the problem which, in the case of corn, for quite some time has confronted the cattle growers of the West and of the Midwest.

Mr. YOUNG. Mr. President, will the Senator from Wyoming yield again to me? I regret to ask him to yield, because I know his time is limited. However, I think it is important to develop one point in connection with the statement he has been making.

Mr. BARRETT. I yield to my distinguished colleague.

Mr. YOUNG. All we are asking with respect to feed grains is a continuation of what the Government has been doing for many years, namely, to support feed prices on a feed ratio basis with corn; and that is all our amendment does.

Mr. BARRETT. I realize full well that such is the intention. If it were not for the fact——

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield me an additional 5 minutes?

Mr. AIKEN. I yield an additional 5 minutes on the bill itself to the Senator from Wyoming.

Mr. BARRETT. Mr. President, as I said before, the two big items in the final cost of beef are the price of feeder cattle and the price of feed itself. In the interests of ranchers, feeders, and consumers, we need to preserve a fair balance among all these prices. With corn supported currently at $1.62 a bushel, or around 3 cents a pound, we cannot blame the corn-belt farmer for not feeding steers that averaged at 8 markets, a month ago, around 15 to 16 cents a pound. At that ratio, he can lock up his corn, and go off on a vacation, and do pretty well; but if he buys the feeders and expect to get 30 cents for his fat prime steers, no doubt he will find that it is more likely he will be lucky to get around 24 cents a pound.

If the American people had had the chance, they would have consumed a larger production of choice foods without any difficulty. However, instead of letting the public consume the kind of food our people have shown they want, we have locked up 410 million bushels of surplus corn in Government warehouses, with mounting storage costs and spoilage.

Continuation of corn at a high price-support level on a rigid basis, and with the attempt to drag a similar arrangement, under such a falsely founded theory of economy, other feed items, such as oats, barley, grain sorghums, and rye, would result in higher feed grain prices and new surplus problems. That would be harmful to ranchers and feeders, and would work against the production of an abundant supply of meat at reasonable prices for consumers. A look at the situation as it now stands will show that no unmanageable surpluses of oats, barley, grain sorghums, and rye have been built up. That is so because, since they are not basic commodities, they have moved into the channels of consumption.

The proposal to bring other feed grains into the same unrealistic price-support program with corn is a double-barreled blast against both cattle growers and cattle feeders. The move to blanket oats, barley, grain sorghums, and rye into the corn price-support program in effect would make them basic commodities. It would result in higher feed-grain prices and new surplus problems. It would inevitably be harmful to ranchers and feeders. It would work against the production of abundant supplies of meat at reasonable prices for consumers. In my opinion, this proposal to tie these other feed grains to the corn program is the most dangerous section of the committee bill. It could only compound our present problems. Its effect upon ranchers, feeders, and taxpayers generally would be nothing short of disastrous. It seems absurd to me, Mr. President, that we should now consider placing oats, barley, rye, and grain sorghums in a price-support program which would encourage their production for storage, rather than for livestock feed.

My distinguished colleague is entirely correct, but, unfortunately, the position that we find ourselves in, so far as growers in the West and feeders in the Middle West are concerned, is this: The price support on corn at about 3 cents a pound has forced corn into storage and made it impossible for feeders economically to feed their corn to cattle. Consequently, we do not have the market for our feeder stock coming off the ranges of the West that we should expect under those conditions.

The Senator is entirely correct when he says that the proposal before us is to put other grains on the same basis as corn, but, as I see it, that would make our problem that much worse.

Mr. YOUNG. Mr. President, will the Senator yield once more?

Mr. BARRETT. I am glad to yield.

Mr. YOUNG. Top prime cattle are selling in Chicago at around $25.50, and on the St. Paul market at about $22.50. I do not see how the Senator figures that feed prices should be lower. How would a feeder come out if the prices were lower? He would have to buy corn for, say, $1 a bushel, and corn is now selling for 82 percent of parity; far below a fair price. I do not think the cattlemen of this Nation want to prosper at the expense of deflated prices for the rest of our agricultural economy.

Mr. BARRETT. No; I am quite sure they do not want to do that, either; but, at the same time as I said before, the cattle growers find themselves in this situation. Corn is supported at 90 percent of parity, and now it is proposed to support the other feed grains on the same basis as corn, at such a high price that the grower of the West finds that the feeder steer that he produces is the only item in the entire meat-production program which is not on a fixed basis and

he must do all the giving. Consequently, the price of feeder cattle goes down. There is no point in the farmer, in the farm program, taking less than $1.60 a bushel when he can borrow that amount from the Government and let it go to storage.

The Senator from North Dakota [Mr. YOUNG] has just said that the best steers are selling for 24 cents. Under any formula that we have ever known, with corn at $3 a hundred, the steer ought to bring $30 instead of $24. That is precisely the trouble that the feeder finds himself in when he buys his steer from the grower in the West. The grower is forced to take a price that is below the cost of production. That is the whole difficulty, in a nutshell.

Mr. YOUNG. Mr. President, will the Senator yield once more?

Mr. BARRETT. I yield.

Mr. YOUNG. Does not the fact that prime cattle are selling at from 22½ to 25½ cents a pound, which is certainly a low enough price, mean that we must have a pretty good supply of prime meat on hand? If we had a greater supply, the price would be lower, and of course that lower price would naturally be reflected later in lower range cattle prices.

Mr. BARRETT. I do not think that follows, because the people of the country indicated very clearly last year that they could consume more beef than they ever had before if it is high quality. The slaughter, as I indicated a moment ago, was 36,700,000 head last year and the prospect is that this year it will run up to 40,000,000 head. So there is no question that the people will eat good prime beef.

They are getting it at what I consider a very reasonable price. The cattlegrower is forced to make a jolt year after year because of the fact that the feeder steer produced on the ranges of the West is the only item in the entire field of costs of price beef that is not on a fixed cost basis.

Mr. YOUNG. It seems to me the Senator is suggesting that when corn prices are at 82 percent of parity, they should be lower. I never heard the cattlemen say, when they were getting around 130 percent of parity and the corn farmers 90 percent of parity, that the corn farmers should get more for their corn.

Mr. BARRETT. No. Human nature being what it is, I do not think they would come out and say so. I think the producers in the West have always wanted the feeders to make money. I myself have produced feeder stock over a period of years.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BARRETT. Will the Senator give me 1 minute more?

Mr. AIKEN. I yield 2 minutes more to the Senator from Wyoming.

Mr. BARRETT. I never saw the time when the producers of the West wanted the feeders to lose money, because the feeder is the customer they want to come back year after year.

Mr. President, I realize, as I said in the very beginning, that this is a massive problem. It is one which is not easily susceptible of solution. I think we must be realistic, and we must admit that under the situation as it is, the people of this country will not stand for our spending millions of dollars for support prices and putting into storage products which Almighty God intended should be used for the benefit of the people.

Livestock is the basic industry of our western States, as everyone knows, and grass is the main crop which is harvested on 90 percent of the West's 800 million acres. The economy of 200 counties in the West depends upon a stable and prosperous livestock industry. As I said earlier, Mr. President, one would be foolish to think that for a long period of time one segment of our industry could exist on practically a bankrupt basis, and at the same time all other segments and branches of our national economy could be operating on a highly prosperous basis.

Only if we can maintain a sound and prosperous agriculture can we hope for prosperity on a national basis. The objective of all of us, therefore, is a sound and prosperous agriculture in America.

It seems to me that rigid high supports have not achieved that objective. We have had a drop in our agricultural income year after year for the past 4 years under high rigid supports. It seems to me that we have no alternative except to accept the program of the administration, looking forward to a prosperous agriculture based on an extended——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. AIKEN. I yield 1 minute more to the Senator from Wyoming.

Mr. BARRETT. I think we have no alternative except to rely on the program of the administration, based on the expansion of our agricultural output in foreign trade, a set-aside of a substantial proportion of our agricultural surpluses, and a moderate, flexible support program. That program I propose to support, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. THYE. Mr. President, this is the situation I was fearful of the other day. There is no one present to allocate any time to our side of the question.

Mr. RUSSELL. Mr. President——

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

Mr. RUSSELL. Can the Senator from North Dakota yield any time to the opponents of the amendment?

Mr. HUMPHREY. Will the Senator from North Dakota yield me 10 minutes?

Mr. YOUNG. I yield the Senator from Minnesota 10 minutes.

The PRESIDING OFFICER. Ten minutes on the amendment?

Mr. HUMPHREY. Mr. President, my time will be used in firm opposition to this amendment.

First of all, it was, indeed, alarming to me today to hear the report of the distinguished Senator from Georgia [Mr. RUSSELL] who pointed out that farm assets in this Nation have decreased by $13,600,000,000 since 1952. That is a tremendous loss of economic value. The loss is being felt all over the national economy.

Secondly, it was quite alarming to hear that the farmers' percentage of national income in 1953, according to the Department of Agriculture, was lower than in 1932. In 1932, their income, as a percentage of the national income, was 5.5 percent. In 1953, it was 5.1 percent. I think it is fair to say that in 1954 it is even less, because of lower farm prices.

Thirdly, Mr. President, it was alarming to hear that in 1953 the net income on farms in relation to the total income of this Nation was lower than in 1934. In 1934 the net income on farms, as a percentage of the total net income of the Nation, was 9.9 percent. In 1953 it was 7.3 percent. We must add to that the fact that the farm parity ratio as of June 1954 stood at 88 on a national average, and in the great Midwestern State of Minnesota it stands today at 80. We must add to that, also, the fact that the farmer's share of the consumer's dollar is far lower than it has been for years, and far lower than it has been at any time since 1950.

We must also add to that the fact that the cost of living was within one-tenth of 1 percent of the all-time high in the middle of June 1954. The cost of living is off only one-tenth of 1 percent from the all-time high. Farm income has gone down some 20 percent since 1952.

This morning I boarded a plane at Minneapolis to fly back to my responsibilities in the Senate. Last evening I was out among our farmers in Waseca, Minn. Later at Kasson, Minn., I attended the Dodge County fair. It was my privilege to speak to a rather large audience of farmers from the grandstand at the fair. While I was at Kasson, Minn., the county seat of Dodge County, I was privileged to meet again the hosts of President Eisenhower in 1952. We have talked a great many times about 1952, when almost 150,000 people heard the candidates of the two major political parties speak at Kasson. Sometimes we talk on this floor about the time when the Republican candidate for President and the Democratic candidate for President were the guests of Mr. and Mrs. Henry Snow. Last night I had the privilege of visiting with Mr. and Mrs. Snow. They are fine people, the salt of the earth, from good, hearty stock. They are good, honest, hard-working people, who love their country and who never have indulged in too much partisanship. In fact, it is quite well known that up to very recently Mr. Snow has not been a partisan in any way.

Today Mr. Snow is a candidate for the State legislature. He has also joined the Democratic Party, and has become an officer of the county committee. Last night, at 11 p. m., as I was leaving his home, Mr. Snow said to me, "Senator HUMPHREY, as a farmer and as a citizen, I ask you to do everything in your power to make sure that 90 percent of parity upon the basic commodities is continued as a part of the basic agricultural law of this land." I quote Mr. Snow's words as accurately as memory can make them.

I thought they would fit very appropriatly into the discussion here today.

What does 90 percent of parity mean to the entire agricultural economy? I have heard it said again and again that only a small share of the agricultural income is involved in the 90 percent of parity support program on basics. I charge this afternoon that the claim that 90 percent of parity affects only a small percentage of the farm income is false. It is misleading, and it is intended to be misleading. It is an outright misrepresentation.

Why do I say that? I say it because 90 percent on basics is a controlling factor upon all nonbasic commodities. The price support program with respect to feed grains, from soybeans to grain sorghums to barley to rye—the traditional feed grains—is based primarily upon their feed-equivalent ratio to corn. If we cut the price support on corn we also cut the basic cash income of producers of rye, barley, grain sorghums, and so on down the line.

No one should be deluded into believing that we are talking only about 90 percent parity for the basic crops. We are talking about a yardstick with which to measure all other crops. If we cut that yardstick down on the basics, we cut it down also on the nonbasics.

When we talk about reducing the parity price support for corn and wheat, for example, from 90 percent to 80 percent, we are also talking about lowering the price supports for oats, barley, rye, grain sorghums, and other grains.

What is one of the main arguments that has been made with reference to price supports?

The Senator from New York [Mr. IVES] said very candidly the other day that New York farmers want cheap feed grains.

Let us see what would happen to the feed grains used in dairying, for example, on the eastern seaboard we were to cut the price supports on the basic commodities. I listened to the remarks of the Senator from California [Mr. KUCHEL]. Do Senators know how little effect the price of feed has on the price the consumer pays for milk?

We hear a great deal of talk about cheaper feed. The Secretary of Agriculture, Mr. Benson, himself has stated that feed costs amount to only 11 percent of the cost of producing milk. Let us say that a bottle of milk costs the consumer 20 cents. The farmer's share of that 20 cents would be about 10 cents. His cost of producing it is around 8 cents. According to Secretary Benson's own figures, the cost of feed needed to produce 1 quart of milk would be less than 1 cent.

In other words, if we gave our feed away to the eastern dairymen—not if we sold it at 90 percent of parity, 80 percent of parity, or 75 percent of parity, but if we literally gave it away for nothing to the eastern dairymen, the cost of the milk to the consumer still would not go down by more than 1 cent a quart. Of course, to do so would wreck the entire basic structure of American agriculture, and diversified farming in particular.

Therefore, I say that the charts which the Secretary of Agriculture has prepared and which have been placed on the desks of Senators through the chairman of the Committee on Agriculture and Forestry, purporting to show that only 7 percent, for example, of Minnesota's income was directly related to the basic commodities, are false and misleading. The truth is that 90 percent of parity on corn is the yardstick, the measurement, and the level by which we judge other price supports.

Let me direct my attention for a moment to the matter of surpluses, and the purposes of the loan and storage program.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. JOHNSON of Texas. I yield 5 additional minutes to the Senator from Minnesota.

Mr. HUMPHREY. What is the purpose of our loan and storage program? First of all, the purpose is orderly marketing. Why is that? It is so that the farmer does not have to dump on the market at harvesttime the entire substance and total of his crop, but that he may be permitted over a long period of time to feed his crop into the market in an orderly manner, thereby stabilizing prices, stabilizing income, and stabilizing the market.

What is the second purpose of the loan and storage program under the price-support operation? Food reserves. I say again that the food reserves are of essential importance to the security of the Nation. Twelve or thirteen States are today affected by drought.

I hold in my hand a telegram from one of the leading producers of corn and corn seed in Iowa. The telegram contains some very important information, inviting the attention of the Senate to the fact that if the Secretary of Agriculture would use the surplus commodities we have in storage as they should be used in the drought areas, which are severely affected, there would literally be little or no surplus left to be talked about.

Let me show some figures which I think are very revealing. According to the Department of Commerce, sales by manufacturers, wholesalers and retailers, during June, amounted to $47,600,000,000. For the same months the Nation's total inventories of stocks on hand were valued at $79 billion.

The Department of Commerce says the inventory of farm products and processed foods amounted to about $8 billion worth, leaving $71 billion worth of inventory stocks of durable goods and other merchandise.

For sales, the Department estimates that $10 billion were transactions in farm products and processed foods, leaving $37.6 billion for total sales of other merchandise.

These figures give us some interesting comparisons.

Our business community finds it necessary to keep a running inventory of $71 billion worth of stocks on hand to provide for sales amounting to $37.6 billion, a ratio of almost 2 to 1.

What about these farm surpluses? Adding the entire $6 billion holdings owned by or pledged to the Commodity Credit Corporation to the $8 billion private inventory of both farm products and processed foods—and that includes all the food supplies on the retailer's shelves, as well as the reserves in our grain bins—we still get smaller inventories of farm products and food sales in relation to sales than we have for other segments of the business economy.

The ratio of inventory of farm products and processed foods to sales is about 1.4 to 1. The ratio of inventory to sales for all other products and merchandise is 1.9 to 1.

So I say, Mr. President, that this talk about surplus is misleading, and, rather than being factual, it has been used as a propaganda weapon to split farmers amongst themselves, to set farmer against worker, and to set the consumer against the farmer.

Finally, Mr. President, I ask my colleagues in the Senate who is going to be hurt the most if we cut farm income?

I ask unanimous consent to have a tabulation of loans to veterans by the Farmers' Home Administration, cumulative through December 31, 1953, incorporated in the RECORD at this point.

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

Loans to veterans by Farmers' Home Administration cumulative through Dec. 31, 1953

UNITED STATES TOTALS

Type of loan	Number of borrowers	Amount advanced	Principal and interest payments
Production and subsistence	131,387	$300,102,986	$197,739,148
Farm ownership [1]	20,267	171,700,940	40,609,030
Farm housing [2]	8,004	41,782,180	
Water facilities	2,779	7,149,764	2,628,281
Emergency	18,488	35,056,829	25,927,624
Special livestock	425	4,058,595	90,138
Fur	116	1,170,127	900,843
Orchard	9	106,650	82,924

MINNESOTA

Type of loan	Number of borrowers	Amount advanced	Principal and interest payments
Production and subsistence	3,231	$10,031,864	$6,678,874
Farm ownership [1]	862	6,095,739	1,498,883
Farm housing [3]	106	404,185	
Water facilities	0	0	0
Emergency	122	100,235	99,569
Special livestock	0	0	0
Fur	3	15,800	16,458
Orchard	0	0	0

[1] Number of borrowers and amount advanced as of June 30, 1954. Payments as of Mar. 31, 1953; later figures on payments by veterans not available.

[2] Number of borrowers and amount advanced as of June 30, 1954. These figures do not include grants, of which there were 27 for $10,780 in connection with loans and 56 for $26,790 advanced as grants alone. Separate figures on payments by veterans not available. As of Dec. 31, 1953, principal and interest payments were 21.4 percent of advance for all borrowers.

[3] Number of borrowers and amount advanced as of June 30, 1954. These figures do not include grants of which there was one for $500. Separate figures on payments by veterans not available. As of Dec. 31, 1953, principal and interest payments were 20.5 percent of advances for all borrowers.

Mr. HUMPHREY. Mr. President, there are more than 150,000 of these veteran-borrowers. These, Mr. President, are the men and women who are going to be hurt first. They are the ones who will be driven off their farms because of lower income on farm production, these men and women who have borrowed money from their Government and who will not be able to make their repayments. They borrowed money in high-cost times; they borrowed money

when commodities were selling at a good price. They cannot repay these amounts, Mr. President, in low-priced commodities.

The farm program, Mr. President, is not a program only for farmers. The farm program is a program for the Nation. It is a program for national prosperity.

I have in my hand, and I ask unanimous consent to have it printed in the RECORD, a news item from the Minneapolis Star of July 20, 1954, headed "Harvester Plans To Lay Off 5,125."

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

HARVESTER PLANS TO LAY OFF 5,125

CHICAGO.—The International Harvester Co. plans to lay off 5,125 employees this month.

A spokesman said the move stems from a drop in the company's sales of motor trucks and farm implements.

The company said the layoffs would affect employees in plants in 11 cities, but gave no breakdown.

Mr. HUMPHREY. Mr. President, who is being hurt by low farm prices and reduced farm income? Not simply the farmers. The International Harvester Co. is one of many manufacturing establishments whose business is being injured, along with other businesses on the rest of Main Street, including every bank where loans are going by default. It would be nothing short of economic lunacy, nothing short of economic irresponsibility, for the Congress of the United States to deliver another death blow, another telling blow, may I say, against our farm economy. Not only would it hurt farmers, but it would also literally hurt the entire economic structure, lowering revenues for the Government at the Federal level, lowering revenues for State and local governments, and, more importantly, affecting general industry. Make no mistake about it, farm income and factory jobs go hand in hand. Farm income and business prosperity go hand in hand. I am quite amazed to see this administration proposing a plan of operation which will reduce income, reduce jobs, and finally put this economic system of ours in serious and complicated trouble.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the distinguished Senator from Wisconsin [Mr. WILEY].

AMENDMENT OF SECTION 413 OF THE FOREIGN SERVICE ACT OF 1946—DISCHARGE OF COMMITTEE

Mr. WILEY. Mr. President, on July 16 I reported from the Committee on Foreign Relations Senate bill 3778, amending section 413 of the Foreign Service Act of 1946. The bill is now calendar No. 1963.

On August 4, the House of Representatives passed a similar bill (H. R. 9910) which was referred to the Committee on Foreign Relations. I ask unanimous consent that the Committee on Foreign Relations be discharged from the further consideration of the House bill and that it be placed on the Senate Calendar.

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

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished Senator from South Dakota [Mr. MUNDT] on the amendment.

Mr. MUNDT. Mr. President, I rise once again to urge my colleagues to vote against the proposal of the chairman of the Committee on Agriculture and Forestry to substitute a flexible, faltering, and sliding scale in place of the 90 percent firm price-supports recommended by a majority of the committee.

We have heard a great many arguments in the past few days directed against the 90-percent price support, but we have not heard any arguments directed against them from the standpoint of the fact that they were not doing the job for which they were designed, namely, to protect the producers of farm commodities. We have heard arguments that if we continue to price the American farmer out of the markets abroad we shall not be able to sell our American products in foreign countries at a price level which represents 90 percent of parity to the producer. It is recognized that the American farmer does not propose to adopt the standard of living prevailing elsewhere in the world. The American farmer is as much entitled to the American standard of living as is the American producer of manufactured products, or as is the American workingman. We recognized that fact when we passed and enforced a national minimum wage law. We recognized it when we passed and enforced legislation protecting us against uncounted hordes of immigrants. We recognized it when we adopted the American educational system, and when we provided for the electrification of farms, and for an automobile for every American family; and even to suggest that we depart from a farm program which has resulted in the maintenance of farm prosperity in the areas producing basic commodities, and upset or substantially decrease the income of farm families in order that they can sell their products abroad at a reduced price, it seems to me, is contrary to our entire American concept of justice and fair dealing.

Carrying it to its logical conclusion, we can dispose easily enough of the surplus problem if we produce commodities and give them away without the necessity of appropriating money, through the complicated machinery of the Foreign Operations Administration.

The farmer is asking for next year only 90 percent of that which is recognized to be adequate in the Nation. We find our basic producers today much in the position of a man who is trying to build a bridge across a 90- or 100-foot chasm through which are flowing some very rough and dangerous waters. It is proposed that the producers bridge be built at least 90 percent of the way, at least 90 feet across the chasm, in the hope that the farmer can improvise some kind of floor, some kind of rigging, to carry him across to the other side. But certainly if the theory is adopted of reducing the length of the bridge to 80 feet across a 100-foot chasm, it is made impossible for the farmer ever successfully to try to fabricate or improvise some device to carry him over to the other side.

Today, the farmer, as he moves from a wartime economy to a peacetime economy, stands between two great cliffs, and he needs a bridge at least 90 percent of the way across. I think he is entitled to have it 100 percent of the way across. Certainly he cannot get by with a bobtail bridge, which will carry him across 80 feet of the way, while he is expected to jump the rest of the distance.

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

Mr. MUNDT. I yield.

Mr. YOUNG. The proponents of flexible price supports claim that the farmers are pricing themselves out of foreign markets, especially with respect to wheat. Last year wheat sold for less than 80 percent of parity.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. JOHNSON of Texas. I yield to the Senator from South Dakota 5 minutes on the bill.

Mr. YOUNG. Wheat has been selling for less than 80 percent of parity. Now the proponents of the flexible price program claim that such a program will bring the farmers 100 percent of parity. If such a dream ever should come true, would not the 100 percent cash price, rather than the 80 percent of parity, price American farmers out of the foreign markets?

Mr. MUNDT. It most certainly would. It would be like running around in circles. It seems to me that those who are supporting the 80 or 90 percent proposal are beginning to recognize its inequity and unpopularity, as they move from 82½ to 90 percent, and are grasping for straws, because if their theory were correct, it would drive the American farmers out of the foreign markets much more quickly.

I recall the argument made by the Senator from New Jersey [Mr. SMITH], who said he intended to vote against the 90-percent floors, because of the fear that the farmers are going to use their diverted acres to raise vegetables. If they do so, they will decrease production, and will have more acres to be diverted; consequently, they will increase the hazard, if there be one, that the farmers are going to raise vegetables on their diverted acres.

Those false arguments, it seems to me, are not justified by some kind of rationalization that the farmer should be singled out as the only one to have price floors of that kind. It is quite easy to talk approvingly of surveys which we hear about concerning the use of storage facilities for wheat. Still we find ourselves at the same time importing 500 million bushels of Canadian wheat, which has to be stored. Today about

one-fourth of the cost of the so-called wheat surplus in this country is cost attributable to imports of wheat from Canada. If we decrease imports and increase exports, we can find readily enough consumption for the cotton, corn, and wheat products which are raised in the United States.

I wish to say a word or two about the argument concerning prices paid by consumers, because we have heard much on that subject. If ever there was a glittering shibboleth brought into a parliamentary situation, to try to confuse the voters, it is the theory—and it is only a theory, refuted by facts—that by forcing the farmer to accept pulverizing prices, the consumer is given an opportunity to make savings on the cost of commodities which go into his market basket.

In January 1948, wheat was selling for $2.41 a bushel. At that time bread cost 13.8 cents a loaf. Last year wheat had dropped to $1.91 a bushel in June, while the average price of a 1-pound loaf of bread had gone up almost 4 cents, to 17 cents. Since 1948 wheat has declined 32 percent, while the cost of bread has advanced 23 percent. What can be demonstrated with respect to wheat can be demonstrated with respect to the cost of cotton and almost all other products.

The prices paid by consumers may well be increasing, but they are increasing because other segments of our economy are receiving better incomes or larger profits, not because the farmer is receiving better income. The farmer's income is only as much as he was making a few short years ago.

So I urge my colleagues, in the interest of justice to our national economy, in the interest of meeting a critical situation as we move from an era of war to an era of peace, to continue the 90-percent-price supports at least for 1 additional year.

The joint economic report was published not by the Committee on Agriculture and Forestry, but under the leadership of Representative WOLCOTT, of Michigan, and the Senator from Vermont [Mr. FLANDERS]. In their findings—and this is the 1954 report—they pointed out specifically that it would be most hazardous and undesirable to change from the present 90-percent parity supports to a sliding parity program. I quote from page 10 of the report:

> The effect of adopting the sliding scale of flexible supports for basic commodities, as well as "modernized parity," inevitably is to reduce the level of supports, with the prospect of further reductions in future years, at the very time when we are concerned with avoiding a serious recession.

This is a statement by a joint committee selected by the Senate and the House to study the economic picture with respect to facts in order to protect the economy of the country. They caution us against making a change in this new era of peace, which is still in its swaddling clothes, an era so new that we scarcely recognize it sufficiently to be able to talk about it.

Mr. President, this is not the time to be gambling unnecessarily with the economic future of the United States and discarding or imperiling a price-support program which has proved conclusively, for 20 years, that it has within it the ingredients to maintain farm prosperity and national prosperity at a high level.

Mr. LANGER. Mr. President, I desire to emphasize and reiterate in the strongest terms everything said by my colleague, the senior Senator from South Dakota. I agree fully and completely with everything he has said.

We have heard much said about subsidies. On Saturday I quoted figures given by Representative HOPE, of Kansas, who obtained them from the Federal Bureau of the Budget. The figures are as follows:

> Agricultural aids and services, $463 million.
> Business aids and services, $1,041,000,000.
> Labor aids and services, $200 million.

Most certainly I cannot see why agriculture should have to accept 90 percent of parity. The Marshall plan in its entirety was a subsidy, and was frankly conceded to be such by Mr. Stassen when he appeared before the Committee on Foreign Relations. The cost of the Marshall plan ran into many billions of dollars.

I intend to offer an amendment to provide 100 percent of parity, not 90 percent. There is no reason why the farmer should be penalized 10 percent, in view of the record which has been so carefully prepared by the Bureau of the Budget itself.

As I said recently, during World War I the farmers of the Northwest were asked to raise wheat, wheat, and more wheat. The land along the railroad rights-of-way and in city parks was plowed up, so that additional wheat might be grown.

When the war was over, after hundreds of thousands of farmers had borrowed money from the Government for seed and feed, did the United States Government do what the Canadian Government did? No. Within a year after World War I had ended, Canada cancelled the feed and seed loans which had been made to Canadian farmers. But the United States farmers are still paying back their loans at 6 percent interest. When an attempt is made to have those loans cancelled, the legislation cannot be put through the Senate, even though all the Senators from the States of the Northwest have joined in offering a bill to accomplish that purpose.

For the life of me, I cannot understand the policy of the Republican Party, in view of the campaign speeches and other speeches made by every candidate for President. They have not learned what took place when they were in power before. It was a Republican President who vetoed the McNary-Haugen bill, and then vetoed it a second time, laying the groundwork for what took place thereafter. At this time we have a Republican President, yet the Republican Party is moving right along the same old line.

For this reason I intend to offer an amendment, before the debate is concluded, to provide for 100 percent of parity, in order to place the farmers on an absolute equality with industry. Workers engaged in industry have had one pay raise after another.

Mr. JOHNSON of Texas. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. On the amendment?

Mr. JOHNSON of Texas. On the amendment.

Mr. President, I have no intention of going into an extensive analysis of the issue that is before us.

The facts have been developed so well by Senators expert on this subject that I do not think there is very much to add.

There is one part of this debate, however, that concerns me very much. It is the divisive nature of the campaign that has been launched throughout our country to put across the Agriculture Department's flexible price support bill.

It is not difficult to understand the true nature of the Department's proposal once the antifarm advertising has been stripped from it. In essence, the administration is saying that the solution to the problems of agriculture is to lower farm income—and lower it at a time when the farmer is facing difficulties.

We are told that lowered farm income will reduce farm surpluses.

We are told that lowered farm income will mean better prices for city folks.

We are told that lowered farm income will solve many of the ills that accompany the shrinking markets of the cold war.

In short, Mr. President, the nonfarm people of our Nation are being told that they can prosper if the farmers suffer; they will reap benefits if the farmer loses.

I have no intention of questioning the motives of those who have adopted this theory. I learned long ago that honest men can differ and that even when one is wrong, he is not necessarily dishonest.

But the fact remains that the advertising campaign which has accompanied the effort to sell this theory has divided our people. It has turned, or sought to turn, city folks against country folks.

Even more important, for the first time in more than 20 years, it has convinced many of our farmers that the Agriculture Department is their enemy, and not their friend.

This was an inevitable development. It followed as naturally as night follows the day when the high-powered press agents went to work to sell the theory of flexible farm price supports.

It would be amusing, if it were not so tragic, to trace the development of this campaign.

Until 2 years ago, 90 percent of parity was generally considered 90 percent of a fair price. Today, 90 percent of parity is usually described as a high, rigid price support—and the words are spoken with a sneer.

Until 2 years ago, the carryover from a year's production was considered a prudent reserve against emergencies. Today, in the dictionary of the flexible-support advocates, the carryover has become a burdensome surplus which must be liquidated at all costs.

Until 2 years ago, farmers were considered basic producers of the goods essential to life. Today, they are quite likely to be classified as "marginal producers," with the strong inference that

the margin should be eliminated as rapidly as possible.

It is no secret that the Agriculture Department is quite ready to prove at any time that farmers are—and apparently should be—a shrinking element within our population, shrinking both in numbers and influence.

Mr. President, when an agency of Government adopts an attitude of this kind, certain results are bound to follow. Metropolitan magazines and newspapers pick up their cue. The propaganda mills start grinding, and they grind exceedingly fine.

In the cartoons and the editorial columns, the farmer suddenly becomes a bloated plutocrat, driving into the city in his gold-plated Cadillac to pick the pockets of the consumer. In the minds of many, he becomes a profiteer—a man who sells and sells at fantastic, exorbitant prices.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. JOHNSON of Texas. I yield myself 2 additional minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 additional minutes on the amendment.

Mr. JOHNSON of Texas. I should like to take some of the editorial writers and the cartoonists down to my own section in the Central Hill country of Texas. I would like to lead them through the South High Plains or the Panhandle.

They will not find very many gold-plated Cadillacs or coupon-clipping plutocrats. What they will find is drought—drought, insects, and falling prices. They will also find a people deeply uneasy about the future—a people who are beginning to wonder whether they must fight their own Government to survive.

Mr. President, the passage of a flexible price support measure will do more than strike a blow at the farmer. It will also strike a blow at national unity. It will leave in its wake a people divided against each other.

I have no intention of retracing ground that has been so ably covered by other Senators.

The evidence in this record in my opinion is convincing that flexible price supports will not solve the problem of surpluses.

The evidence in this record in my opinion is convincing that flexible price supports will not mean lower consumer prices.

The evidence in this record in my opinion is convincing that flexible price supports will not mean prosperity.

Their immediate effect would be to lower farm income—to take away the floor upon which agriculture relies to prevent disaster and hardship.

Their long-range effect would be to set a dangerous precedent that could be harmful to every segment of our economy.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. JOHNSON of Texas. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. An additional 3 minutes on the amendment.

Mr. JOHNSON of Texas. Mr. President, we have a minimum-wage law designed to provide a floor for the income of our working men. Is the next step to be a flexible minimum wage law which lowers the floor whenever there is a surplus of labor?

I can hear the propagandists now crying that 75 cents an hour is a high, rigid wage level.

We have numerous laws on the statute books designed to protect and foster small business. Is the next step to be a flexible small business law which withdraws the protections whenever there is a surplus of small businesses?

I can hear the propagandists now crying that there is a "burdensome surplus" of small businessmen which must be liquidated.

Mr. President, there is a basic assumption behind this "flexible" price support theory with which I cannot agree. It is the assumption that there are economic problems which can be solved by lowering the income of one segment of our population.

I cannot agree with this theory. I do not believe that rural recession will promote urban prosperity any more than I believe that a low income for industrial workers promotes farm prosperity.

It is my deep-seated conviction that prosperous farmers mean prosperous workers just as prosperous workers mean prosperous farmers. It is also my deep-seated conviction that prosperity in the fields and in the workshops promotes the prosperity of business.

The flexible price support concept as applied to the basic crops runs directly counter to these convictions. It means only that when the farmer does not need it we will guarantee him 90 percent of a fair price. It means only that when the farmer does need help we will lower his income floor to 82½ or 80 or 75 percent of a fair price.

Mr. President, I cannot cast my vote in support of such a theory. I will cast my vote for the committee bill and against the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Vermont [Mr. AIKEN].

Mr. JOHNSON of Texas. Mr. President, in the absence of the distinguished chairman of the committee [Mr. AIKEN], I am authorized by him to yield 2½ minutes of his time to the Senator from Wisconsin [Mr. McCARTHY], and I yield 2½ minutes from the time of the minority.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 5 minutes.

Mr. JOHNSON of Texas. Mr. President, at the conclusion of the speech of the Senator from Wisconsin, I shall yield to the Senator from Illinois [Mr. DIRKSEN] 15 minutes, on behalf of the chairman of the committee.

The PRESIDING OFFICER. Does the Chair correctly understand that, in each case, the Senator from Texas is yielding time on the amendment?

Mr. JOHNSON of Texas. That is correct.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 5 minutes.

Mr. McCARTHY. Mr. President, I thank the distinguished minority leader and the distinguished Senator from Vermont.

Mr. President, I send to the desk a series of amendments, some to the amendment of the Senator from Vermont to the committee amendment, and some to the committee amendment itself. I ask that the amendments be considered en bloc, to save time, and that they be read at this time.

The PRESIDING OFFICER. The amendments submitted by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. In line 3 of Mr. AIKEN's amendment it is proposed to strike out "subsection (c) and."

In line 5 of Mr. AIKEN's amendment, it is proposed to strike out "90" and insert "100"; and to strike out "80" and insert "90."

Beginning with the semicolon in line 8 of Mr. AIKEN's amendment it is proposed to strike out down through the word "section," in line 13.

On page 21, in lines 16 and 17 of the committee amendment, it is proposed to strike out "90 percent" and insert "not more than 100 percent and not less than 90 percent."

On page 22, in lines 15 and 16 of the committee amendment, it is proposed to strike out "not in excess of 90 percent nor less than 75 percent" and insert "not in excess of 100 percent nor less than 90 percent."

On page 23 of the committee amendment, beginning with the word "Effective," in line 24, it is proposed to strike out all through the period in line 3, on page 24.

Mr. McCARTHY. Mr. President, simply stated, these amendments provide——

The PRESIDING OFFICER. The Chair wishes to remind the junior Senator from Wisconsin and the Senate that because the amendments of the Senator from Wisconsin modify a part of the committee amendment, as well as the amendment of the Senator from Vermont, it is not now in order, except by unanimous consent, to consider all the amendments of the Senator from Wisconsin.

Mr. ANDERSON. Mr. President, this question will come up in connection with both the Aiken amendment and succeeding amendments to the committee amendment. So I think we should consider at this time, if we can, all the amendments of the Senator from Wisconsin; and I so request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

Mr. AIKEN. Will the Chair restate the proposal?

Mr. McCARTHY. If I may state it, Mr. President, it is that my amendments be considered en bloc. They provide for a change from 90 percent to 100 percent, not only for the commodities covered by the amendment of the Senator from Vermont, but also for dairy products. Thus, unanimous consent will be required, in

order to have my amendments considered en bloc at this time.

The PRESIDING OFFICER. The Chair advises the Senator from Vermont that the amendments of the Senator from Wisconsin modify both the amendment of the Senator from Vermont and the committee amendment itself. Therefore, unanimous consent would be required for the present consideration of all the amendments of the junior Senator from Wisconsin, en bloc.

Mr. AIKEN. Mr. President, do I correctly understand that the request is to have all the amendments of the Senator from Wisconsin considered at this time, en bloc, including his amendment providing for a change from 90 percent to 100 percent, in the case of the supports——

Mr. McCARTHY. Yes, all of them.

Mr. AIKEN. I have no objection to having the amendments considered en bloc, Mr. President.

The PRESIDING OFFICER. Is there objection?

Without objection——

Mr. YOUNG. Mr. President, I wish to object.

The PRESIDING OFFICER. Does the Senator from North Dakota have objection?

Mr. YOUNG. Yes, I do. I object. I should like to state the reason for my objection. I would have no objection to having these amendments considered en bloc at this time; but later on we shall have a whole series of amendments including, probably, one providing for 82½ percent to 90 percent price support on basics—all in an effort to sidetrack the pending amendment calling for 80 percent to 90 percent supports.

For that reason, I shall have to object to this request, and also to similar requests regarding other amendments, until we vote on the amendment now pending.

Mr. McCARTHY. Mr. President, I wonder whether the Senator from North Dakota understands my request. Under the parliamentary rules, I have a right to submit to the amendment of the Senator from Vermont amendments calling for a change from 90 percent to 100 percent, in the case of the commodities covered by the amendment of the Senator from Vermont. I merely wish to add those amendments to the amendment of the Senator from Vermont, amendments relating to dairy products, which are not covered by the amendment of the Senator from Vermont.

I am sure that in each case the vote will be the same. I do not believe any damage will accrue to anyone by allowing my amendments which relate to dairy products to be considered en bloc with my amendments relating to the other commodities.

Mr. YOUNG. Mr. President, I should like to go along with the request of my friend, the junior Senator from Wisconsin. However, to do so would establish a precedent which would be difficult to overcome later.

Mr. McCARTHY. Then, Mr. President, in view of the objection, at this time I withdraw my amendments dealing with commodities not covered by the amendment of the Senator from Vermont.

Let me inform the Senate that after the amendment of the Senator from Vermont is disposed of, I shall then offer my amendments having to do with dairy products.

The PRESIDING OFFICER. The Chair understands that the amendments of the Senator from Wisconsin relating to the committee amendment itself, rather than to the amendment of the Senator from Vermont, are withdrawn at this time.

Is there objection to the consideration en bloc of the amendments of the Senator from Wisconsin to the amendment submitted by the Senator from Vermont [Mr. AIKEN], on behalf of himself and certain other Senators?

Without objection, the amendments of the Senator from Wisconsin to the Aiken amendment will be considered en bloc.

Mr. ANDERSON. Mr. President, I think the Senator from North Dakota objected.

The PRESIDING OFFICER. The Chair heard no objection.

Mr. YOUNG. Mr. President, I have already objected.

Mr. ANDERSON. Yes, Mr. President; the Senator from North Dakota objected.

The PRESIDING OFFICER. The Chair understood that the objection of the Senator from North Dakota was to another matter, or on a different basis.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state it.

Mr. AIKEN. My amendment to the committee amendment is subject to amendment, is it not?

The PRESIDING OFFICER. It is.

The Chair stated that the amendments originally offered by the Senator from Wisconsin [Mr. McCARTHY] modified not only the amendment offered by the Senator from Vermont, on behalf of himself and other Senators, but also the committee amendment itself, and, for that reason the amendments of the Senator from Wisconsin relating to the committee amendment itself were not now in order.

The Chair now understands that the Senator from Wisconsin has temporarily withdrawn his amendments relating to the committee amendment itself, and now offers only his amendments which would modify in three places the amendment offered by the Senator from Vermont, on behalf of himself and other Senators.

The question is whether there is objection to having these amendments of the Senator from Wisconsin considered en bloc.

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

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER. The Chair regrets to advise the Senator from Wisconsin that his time has expired. [Laughter.]

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Wisconsin an additional 2½ minutes, from the time available to this side, if it will be possible to have 2½ minutes yielded from the time available to the other side, thus making a total of 5 minutes.

Mr. AIKEN. Mr. President, I yield to the Senator from Wisconsin 2½ minutes of the time available to our side on the committee amendment.

The PRESIDING OFFICER. The Chair understands that each side yields to the Senator from Wisconsin 2½ minutes, making a total of 5 minutes.

The Senator from Wisconsin is recognized for 5 minutes further.

Mr. McCARTHY. Mr. President, my amendments which now are before the Senate relate only to the amendment of the Senator from Vermont [Mr. AIKEN] to the committee amendment. My amendments dealing with dairy products will subsequently be offered separately.

Mr. President, stated very simply, my amendments which now are before the Senate, and which related to the amendment of the Senator from Vermont propose to change the sliding scale of 75 to 90, to 90 to 100. We should keep in mind that during the past 100 years, for every dollar the farmer has made, those who do not live on the farms have made $7.19. So when the income of the farmer is dropped $1, the income of the city dwellers has dropped $7.19.

Mr. President, recently in the financial publication Barron's Weekly, there appeared some very soothing remarks by a professor at Johns Hopkins University, who is advising the Department of Agriculture. His name is Professor Wotinsky. In his advice in regard to farm income, he said some things which are rather new to me. He said that nobody need worry about the break in farm prices and the outlook for depressed conditions on the farm, for, he said, after all, if city people have to pay less for what they get from the farm, that only means they have more to spend on goods made in the city.

Mr. President, too much of such sentiment is widespread today, and too much of it is behind the pending bill; I refer to the idea that if we cut the farmer's income, the city dweller will have more to spend.

As I have said, the statistics show that during the past 100 years, for every dollar the farmer has made, the city dweller has made $7.19; and whenever the farmer's income is cut $1, the income of the city dweller is cut $7.19.

Mr. President, the workingman in the city is, for some strange reason, being conditioned for something; and we have seen it happen before.

The workingman in the city is being told by the cartoonists, the editorial writers, and the fancy columnists—whom I do not need name—that the farmer is his enemy, and that the farmer has been riding on his back, or has been picking his pocket, and has been depriving his children of butter, lamb chops, and milk.

Statistics have broken out on all sides, almost like a fever rash, to prove, first, that the farmer is not losing money, but only thinks he is; second, that the farmer is getting more than his fair share of the Nation's income dollar; third, that the farmer gets it, not by

hard work, but by Government subsidy; fourth, that the dirtiest word in the language suddenly has become surplus; and, fifth, anyway, if the farmer goes broke, he is no longer a potent force in politics, because people are leaving the farms as fast as they can; and, besides, as an economic force, the farmer is even less important than he is politically.

Mr. President, that was the theme song of 1953, and it has been over the past number of months.

The same newspapers and magazines that are subsidized every day of their lives by the second-class mailing privileges, damn the farmer as a grafter on the taxpayer. The same newspapers and magazines that almost break their backs to prevent the imposition of tariffs on newsprint, almost squall the house down in complaining about American farm-commodity price subsidies and calling them criminal.

Mr. President, I have taken the floor today, I repeat, not to criticize the present administration, for it did not make the present farm prices. President Eisenhower and Secretary Benson are not the authors of the problem; they inherited it. I think it is up to the Senate to do all it can to help them solve the problem they inherited.

I rise today to do what I can for the sake of the whole Nation—both the farmer and the workingman. Most definitely, I want to help us avoid a ghastly and disastrous miscalculation, on which we are asked to place our stamp of approval.

No one in his right mind, if he is interested in the continued welfare of our free society, can honestly believe that the welfare of the farmer is minor and not important to the welfare of the city dweller. Poor farmers cannot make rich subway contractors, and bankrupt tractor operators in Kansas are no help to a machine-tool maker in Connecticut.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. McCARTHY. I wonder if I may have 2½ minutes more from each side.

Mr. JOHNSON of Texas. I yield the Senator from Wisconsin 2½ minutes.

Mr. McCARTHY. The automobile worker now pounding the streets in Detroit will do well to think about the cotton picker in Georgia. They have something in common. When one starves the other starves.

Let me repeat the statistics. Every dollar the farmer loses means a loss of $7.19 to the city dweller, according to the average of the past 100 years. In other countries, depression and economic wreckage come from inability to produce. The reasons are many—bad government, weak leadership, ignorance, natural blight, and lack of raw resources. However, the United States has never had a depression because of lack of production or lack of resources. Our depressions have resulted from a drop in the price of goods and services produced.

In conclusion, I point out that for a considerable number of years, we have been living in a wartime prosperity. It will be a tremendous task to get from the top of the barn down to the floor without breaking our legs. We must go from wartime prosperity to peacetime prosperity. If we can spend $360 billion for wartime prosperity, we can spend a few billion dollars now to insure peacetime prosperity on the farm, which means prosperity throughout the economy.

I strongly urge the Senate seriously to consider the 90- to 100-percent sliding scale rather than 75 to 90 percent.

The PRESIDING OFFICER. The Senator's time has expired.

The question is on the amendments offered by the Senator from Wisconsin, en bloc, to the amendment of the Senator from Vermont.

Mr. AIKEN. Before yielding to the Senator from Illinois, I wish to read into the RECORD, a telegram I received a few minutes ago from Skaneateles, N. Y.

The PRESIDING OFFICER. Does the Senator yield himself that time?

Mr. AIKEN. I yield myself sufficient time to read the telegram.

SKANEATELES, N. Y., *August 9, 1954.*

Hon. GEORGE AIKEN,

Senate Office Building:

The New York State Grange for the dues-paid membership of 140,000 members wishes to urge your support of a program of flexible price support as opposed to rigid high support prices. We are convinced that high-priced supports will lead our Nation into chaos as it stimulates production to the extent that controls must be enacted. This means the end of our form of government. Flexible supports permit supply and demand to work out a program which is fair to all segments. We believe that this is the only way to maintain efficient production for the welfare of the public and producer alike; we urge you to support flexible price supports and to vote against rigid high price support.

NEW YORK STATE GRANGE,
H. M. STANLEY, *Secretary*
(By authority of executive committee).

I read this telegram into the RECORD for the reason that there has been too much spreading of false rumors to the effect that the granges are for high, rigid supports. With the exception of possibly 3 or 4, nothing could be further from the truth. Every grange in the northeastern section, and I think in most of the rest of the country, has adhered strictly to sound farm programs until this year, when some of their high officials have been leading them off on a path which is entirely contrary to the practices and traditions of the grange. I hope that situation will be straightened out as soon as possible. The New York State Grange feels this way, and I believe most of the other State granges feel likewise.

I now yield 15 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, it may be considered a little out of date and old-fashioned to consider a party platform a covenant with all the people, but if it is not a covenant, I do not know what it is or what its purpose is.

In my opinion, probably the best platform the Democratic Party has promulgated in the past 50 years was the platform of 1932. Oddly enough, good and sound as it was, it was never fulfilled, and, in fact, scarcely used.

It contained a very appealing statement to the effect that the party platform was a covenant with the people, to be kept faithfully by the party entrusted with power. I think that is good political gospel, and good, sound common sense and good moral doctrine. The Republican Party is confronted with the same challenge in 1954.

In July of 1952, we met in Chicago, and there we adopted a platform which contained an agricultural plank. Among other things, we said that a farm program to benefit farmers must serve all the people, not merely one group. We said that the goal was full parity in the marketplace.

We have heard much about the speech of the President's at Kasson, Minn. I know nothing about it, because I was not there to hear it, but I can read the English language, and I know what we wrote in the platform in July 1952. That becomes my textbook and gospel as a member of the Republican Party.

Finally, we said that commodity loans should be made at such levels as to maintain balanced production.

Mr. President, there are three fundamental elements in a sound farm program. It takes in producer and consumer alike; it looks at the marketplace as the arena where the goal of full parity is to be achieved, and it emphasizes the need for a balance between production and consumption.

A sound farm program standing by itself is not quite enough, because it must also be soundly used.

During wartime, when the demand for food, feed, and fiber was so great, there was, I think, a justifiable reason for fixed high-level support prices, but when the program continues beyond the time of need, it will exhaust our soil, waste the resources of the taxpayer, waste dollars, and create fears in other lands that we may undertake an overall dumping program and disrupt the farm economy and the price structure of other countries. There is possible an invitation to disaster and to the restoration of rigid and severe controls that will hobble the farmers of our country.

Mr. President, in respect to sound farm policies, frankly, I believe—and this is a humble opinion, indeed—that we have been on the wrong road too long and too continuously. It has not brought a lasting solution, for if it had, we would have no farm policy measure on the floor of the Senate this afternoon.

Twenty-five years ago—I remember this rather generally—when Alexander Legge was the Chairman of the Federal Farm Board, he had a man in the wheat pit in Chicago buying for Government account for the purpose of bringing stability to agriculture. But it did not bring stability, Mr. President, as everyone familiar with the period which followed that experience in our economic life knows.

The Agricultural Adjustment Act was placed upon the statute books in 1934 while I was a Member of the House of Representatives. After 6 years of experience we still found that farm prices were below the coveted goal. When the war came, with all its distress, and when the cry arose that food would win the war and write the peace—and it was a

ringing clarion call—it was understandable enough that we should fix a high level of supports.

The needs of our people at home, the needs of the tremendous Military Establishment, diffused into every corner of the earth, and on all the blue waters of the world, and the need of other nations that were engaged in a common cause made a great claim upon the maximum production of food and fiber.

To stimulate that maximum production, one can well understand why we went in for a high level of fixed price supports.

Moreover, Mr. President, it was understandable that Congress should want to allay the fears in that transitional period after the war, the transition from a war- to a peace-time basis, by preserving the high level of supports for a 2-year period after hostilities ceased. I believe we arbitrarily set the date toward the end of the year 1946. We believed that 2 years from that time would be ample. Therefore we felt that until December 31, 1948, that high level supports should continue and we should operate under them. However, Congress also understood that there would have to be a return to a balanced program.

In July 1948, both Houses approved the flexible support principle in the Hope-Aiken Act. I remember that we were in session in the House of Representatives until half past two in the morning, as the conferees moved back and forth. We finally approved the flexible principle.

Later in the year in October 1948, we reaffirmed that principle in the Anderson-Gore Act. However the Korean conflict and certain other factors intruded, and a return to the flexible basis was postponed. We have been on that basis ever since.

The party leaders and the parties themselves certainly understand, in the same degree as we understand in Congress, the necessity for going back to a solid, sound foundation of flexible price supports. In the platform of 1948 the Democratic Party expressed itself in favor of a permanent flexible system of price supports, while the Republican Party declared for effective protection of reasonable prices through flexible supports. Therefore it might be said, in the light of the viewpoint which has been expressed since World War II, and the pledges which have been made, that the spirit was willing, but the flesh was weak.

We had a certain appreciation, I believe, of the problem, but at the same time there was an indisposition in many quarters to apply the necessary and heroic solution. What happened? What has been the result of this deviation from a sound flexible principle?

Actually, full parity has been achieved only in periods when we have had inflation, as a result of war or postwar relief, or postwar needs. We have towering stockpiles of surpluses today, and they have become unmanageable. We have billions of bushels of farm commodities in storage, and the Federal Government owns three-fourths of the surplus. We see it in the form not only of Government ownership, but we see it in bulging tanks and bins and ships and buildings, all of which are rather mute but eloquent testimony to our surplus problem.

Nor is that all. It is something like the song about the shrimp boats. A new crop is coming.

There is also the force of competition from other countries, such as Canada, where there is a tremendous wheat crop. Canada will be bidding for the world market in competition with our own country.

Finally, Mr. President, bad as the situation is, the surplus flood has not reached its crest. We will see it in 1955, or perhaps in 1956.

In the face of this situation, what should be our course of action? We can continue, with great cost to the public treasury, in a manner that I think will be wasteful of our resources, and even invite disaster. It is always a rather dubious undertaking to prophesy disaster. However, this could invite disaster.

We can endeavor to force this glut upon other countries. I remind Senators that the Agricultural Trade and Development Act, which was passed by this Congress, already directs the President to use $700 million in surpluses for a variety of purposes, such as stockpiling of critical materials, and so forth, in our intercourse with other countries.

In the Foreign Aid Appropriation bill, on which we completed action in committee a few days ago, there is an estimated $350 million market for the disposition of farm surpluses. However, I must remind Members of the Senate that other nations also depend upon agriculture for a way of life. To try to dump what we have in a major degree on other countries, without their being able to absorb it and without destroying their price structure, would compound the evil with which we are wrestling.

Of course, we could regiment the American farmer by establishing sharp controls, but it would not last. Farming is not only a business, and a hard business, which requires earnest and sustained effort, but it is also a way of life for millions of American people to whom regimentation is intrinsically an alien thing. That is why I say that regimentation and sharp controls will not last.

We can look to voluntary reductions in production and voluntary efforts for marketing controls. But experience indicates that such a course is at best only partially effective, and it has never, insofar as I am familiar with it, ever followed an orderly pattern.

There remains, then, only one course that I see, and that is the prudent and reasonable and logical course of flexible supports at levels which will achieve the object of balanced production.

From the days of ancient Rome until this good day the only device I know anything about, and the only device all mankind knows anything about, that will achieve that kind of balance is a price mechanism. That price mechanism can operate effectively only in an atmosphere where there is flexibility. Moreover, it gives us a chance to keep a toe in the door so far as the world market is concerned. Certainly we will have to meet strong competition both as to price and as to quality in the world market. So there must be a price mechanism, and it must operate under conditions of flexibility, such as those proposed by the Aiken amendment, which is presently before the Senate.

In my judgment the abandonment of fixed high level supports in the face of efficient farm production is inevitable. All the speeches which have been made and will be made are not going to ameliorate the condition which has been forced on our country by the surplus problem. Whether the hen came first or the egg came first, whether farm prices go down before consumer prices go down, or which one goes up first, is beside the point. We are faced with a surplus problem. It is not a theory; it is a condition.

We can make up our minds to spend billions of dollars, but there will come a day of accounting at the moral level for the waste that kind of program involves.

I hope that when we come to vote we will meet the challenge before us by supporting the Aiken amendment. It is the prudent thing to do.

I have only one thing more to say. It is rather amazing to me how the angry humors which sometimes spring from politcial fears and sometimes from a group interest, as distinct from a national interest, can cause us to indict the motives of officials of the Government who seek just as earnestly as we do for the truth. I refer particularly to the unkind remarks which have been uttered about a fine Christian citizen who serves as the Secretary of Agriculture, Mr. Ezra Taft Benson.

By every rule of reason should he not have an equal or even a greater interest in the national well-being and the well-being of American agriculture as any of us? He was born in this land. He has 6 children, who will be future citizens and trustees of this Republic. He has a son who is in the uniform of his country. His interest in America is no less than ours. He was born in the farm area of Idaho. His devotion to farming does not derive from law, in which I was educated, or from medicine, or from industry, or from a business of some kind. His interest in agriculture derives from the fact that he is a farmer and engages in farming. The only major interests in the life of Ezra Taft Benson have been his church and the land. He was a missionary for his church, and he served his church well. He served abroad in that capacity. As a farmer and as a former county agent and as a farm economist and as a marketing specialist, his one material interest has been the well being of agriculture. What he has said and done and what he proposes now to do in order to put the farm policy on a sure footing has been the result of restraint, not passion, and of devotion to the whole national interest, not to any group or sectional interest, and his efforts have been characterized by a complete selflessness and by the utmost of good temper.

I believe that Ezra Taft Benson, in his admonition and in his advice to Congress, is on the right road. I for one, coming from a State which takes great pride in what it has achieved in the field of soybean production and in the field of hog production and in the field of corn production, am content to follow his advice, because I think he is on sound ground, and the policy he suggests is a sure road to the ultimate salvation of agriculture.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed 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. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

The message also announced that the House had agreed 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. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other purposes.

Mr. AIKEN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Vermont has 26 minutes remaining.

Mr. AIKEN. Mr. President, I yield 6 minutes to the senior Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I shall not use all that time. I have an amendment at the desk which I ask to have stated.

The PRESIDING OFFICER. The secretary will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out "80" and insert in lieu thereof "82½."

Mr. SCHOEPPEL. Mr. President, the amendment is being offered by myself and by the Senator from New Mexico [Mr. ANDERSON], the senator from Oregon [Mr. CORDON], and the Senator from Idaho [Mr. DWORSHAK]. It proposes on page 1, line 5, to strike out "80" and to insert "82½."

I will say to my colleagues in the Senate that the House passed on this measure, and as we all know, arrived at a parity figure of from 82½ percent to 90 percent. We all know that the Senate is behind schedule, and it looks as though we will have many other important pieces of legislation to come before us, including conference reports and various and sundry bills.

In order to expedite the business of the Senate, and in order to reduce the extended time in conference, which would delay other matters of legislation, I and my colleagues thought it advisable to offer an amendment which would set the parity figures at from 82½ percent to 90 percent. It so happens that inasmuch as the House has passed such an amendment, that I believe it is important to consider it in connection with the important farm bill which is now before the Senate. I hope timely consideration will be given to this amendment.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. President, I take it that those who favor flexible supports concede a partial defeat by the amendment just offered. A difference of 2½ percent would not make much difference to farmers. I shall oppose it as strongly as I would oppose 80 percent. After all, what is involved is the issue of flexibility of 75 to 90 percent as compared to 90-percent supports. Whether it is lowered to 10 percent this year and 5 percent next year would make little difference since the effect upon the farm economy is adverse in any event. I oppose the whole idea of lowering supports.

The distinguished Senator from Illinois made reference to the Republican platform. I did not intend to go into it, but since he has done so, I should like to quote from President Eisenhower. I concede that the Republican platform adopted in Chicago in 1952 did favor flexible supports. If President Eisenhower had not taken the position he did, the vote in November would have been far different.

President Eisenhower apparently recognized that the Republican platform was not all that it should have been, because he went to extreme lengths in tellings the people that he was for 90-percent price supports. Let me read again one paragraph of the President's speech in Brookings, S. Dak.:

> At Kasson, Minn., some weeks back, later in Omaha, and in a number of so-called back-platform speeches, I have tried to make my position clear. The Republican Party is pledged to the sustaining of the 90-percent parity price support and it is pledged even more than that to helping the farmer obtain his full parity, 100-percent parity, with the guaranty in the price supports of 90.

If this administration had intended to sponsor flexible supports now, it seems to me the right thing to have done would have been to talk about flexible supports at some time during the last campaign.

During the campaign of 1952 I debated with the Under Secretary of Agriculture McCormick at Fargo, N. Dak. He contended that the Republican Party was not for 90-percent support prices, and I contended that it was. Shortly thereafter the Republican National Committee asked me to campaign in California and I spent 4 days there. In every way I could I counteracted Democratic propaganda that the Republican candidates were for flexible supports.

At this point let me read another statement from the Kasson, Minn., speech of President Eisenhower:

> As provided in the Republican platform, the nonperishable crops so important to the diversified farmer—crops such as oats, barley, rye, and soybeans—should be given the same protection as available to the major cash crops.

I wrote to Secretary Benson and asked for his interpretation of that plain statement by President Eisenhower. Do any of the Senators here suppose I could get a reply? I defy any Member of the Senate to get an interpretation of those few words from Secretary Benson.

Wheat seems to be the villain in the whole argument with reference to farm price supports. Only 2 years ago, on July 1, 1952 there was a carry-over of 256 million bushels of wheat. That was a rather low carry-over, considering that the United States was at war on July 1, 1952. In that year the Secretary of Agriculture asked wheat farmers to increase the production of wheat to 118 percent of the previous year's production. That was a greater percentage increase in production than was asked of any other major commodity group.

The farmers patriotically complied with the request made by the Government of the United States. As a result, surpluses now exist. Farmers are abiding by the request of the Department of Agriculture to reduce their production. They approved quotas a year ago, and they approved them recently.

According to most recent crop forecasts there will be at least a 15-percent reduction in the wheat crop this year. If the crop reports of the big railroads and other authoritative sources hold up, there will be a reduction of more than 20 percent.

The cotton report issued by the Federal Government today indicates a reduction of 23 percent in the cotton crop. The major railroads and other sources have predicted a great decrease in corn production this year. Therefore sizable reductions are occurring in crop production.

The entire history of agricultural production proves conclusively that lower or flexible price supports will not reduce production. Let me tell you what happened from 1929 until 1935. The prices of farm commodities dropped drastically from 1929 through 1934; but during exactly the same period the acreage of wheat seeded actually increased.

My friend, the distinguished Senator from Kansas [Mr. SCHOEPPEL] in a speech he made last week, tried to prove the point that the 90-percent price-support program is not in the best interests of the family-sized farm families. He said:

> In North Dakota the largest wheat loan was $67,000, and the second largest $41,780. The average was $2,487. I will say to the distinguished Senator from North Dakota that the large wheat producers in Kansas had greater loans on some of their wheat production.
>
> I find myself asking, Does this program preserve and encourage the family sized farm?

Mr. President, I think the figures placed in the RECORD by the Senator from Kansas prove conclusively that the 90 percent price-support program has maintained the family sized farm in North Dakota in a remarkable way.

The top loan of any farmer was $67,000, and the second largest was $41,780. The average loan made was $2,487.

The biggest wheat producer in the United States is Mr. Campbell, of Montana, who at one time produced as much as a million bushels in a single year. But Mr. Campbell got his start like many other big farmers. In the depression years, he picked up cheap land. He built his empire when there were flexible price supports.

One of the biggest farming operations in the Nation is the King Ranch, in Texas. A $60,000 wheat operation in North Dakota would hardly buy feed for the bulls on the Texas cattle ranch.

One apple grower produces about one million bushels of apples a year and that is a nonsupported crop. One will find that the great dairy empires all over the Nation, were built on flexible supports or with no price supports. I think the entire record proves conclusively that the 90 percent price-support program is in the best interest of the small farmer and the family type farmer.

The VICE PRESIDENT. The time of the Senator from North Dakota has expired.

Mr. YOUNG. I hope the Senate will reject the amendment providing for 82½ percent of parity.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] to the committee amendment.

Mr. AIKEN. I yield 2 minutes to the distinguished junior Senator from New Hampshire.

Mr. UPTON. Mr. President, in my State the farm program put forward by Secretary of Agriculture Benson was enthusiastically received. We recognize that rigid supports have not solved the farmers' problems. We hold that the farmer is entitled to a full share in the Nation's prosperity, and that this can best be assured by flexible price supports, and by the expansion of markets for farm products.

Our two great farm organizations stand together in supporting the program put forward by Secretary Benson. Today I received a telegram from the master of the New Hampshire State Grange, reading as follows:

> State Grange favors flexible and not 90-percent rigid price supports.
>
> THORNTON TRIP, *Master*.

The New Hampshire Farm Bureau Federation, the other great farm organization, early adopted resolutions favoring Secretary Benson's farm program.

Resolutions similar to those adopted by the State organizations were adopted also by the county farm bureau federations. The sentiment in New Hampshire is practically unanimous in support of Secretary of Agriculture Benson's farm program, based on flexible price supports.

Mr. AIKEN. Mr. President, I yield myself 2 minutes.

I appreciate the support of the distinguished junior Senator from New Hampshire [Mr. UPTON]. The Senator from New Hampshire is known as one of the stanch friends of New Hampshire agriculture. Since he has come to Congress, he has made his position clear as a friend of all American agriculture. I appreciate the remarks he has just made.

I desire to say a word in regard to the amendment offered by the distinguished senior Senator from Kansas [Mr. SCHOEPPEL]. I shall speak very frankly. Many of us had expected that we might be engaged in conference with the House on the proposed agricultural legislation for possibly a week. Now the time is growing very short. We had expected to come out of conference with the level of support which the President has indicated would be very satisfactory, namely, 82½ percent for 1 year.

The difference between 82½ percent and 80 percent for 1 year amounts to 6¼ cents a bushel in the support price for wheat. No other commodity would be affected in any way.

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

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. In the event the Schoeppel amendment should be adopted, is my understanding correct that the 75 to 90 percent of parity provision would go into effect in the second year?

Mr. AIKEN. That is entirely correct. Many persons have the misunderstanding that the 80 to 90 percent, or the 82½-to-90-percent program, would be permanent. It would not be permanent; it would be for 1 year only; and it would affect only one commodity—wheat. Under the President's program, no other basic commodity would have a minimum support level of less than 85 percent, anyway.

Mr. President, I desire to ask the Senator from Florida whether he wishes to make any further remarks. He has been very diligent in helping prepare not only the proposed legislation under consideration, but also other pieces of proposed legislation. He is one of the best informed Members of the Senate on agricultural subjects. I have always found him sound in his thinking.

Therefore, as we near the close of the debate on the pending amendment, I think it perfectly fitting, if the Senator from Florida desires to make any further remarks, that time on the amendment be yielded to him for that purpose.

The VICE PRESIDENT. The time of the Senator from Vermont has expired.

Mr. AIKEN. Does the Chair refer to the 2 minutes which I yielded to myself?

The VICE PRESIDENT. The Senator is correct.

Mr. AIKEN. How much time have I remaining on the amendment?

The VICE PRESIDENT. The Senator from Vermont has 16 minutes remaining.

Mr. AIKEN. I yield to the Senator from Florida such time as he may desire.

Mr. HOLLAND. Mr. President, how much time remains?

The VICE PRESIDENT. There are 16 minutes remaining.

Mr. HOLLAND. I thank the distinguished Senator from Vermont for the wholly unmerited kindness he has shown me in his remarks.

Mr. President, before we start voting I should like to invite the attention of the Senators to two facts. The first fact was just brought out in the answer given by the distinguished Senator from Vermont to the question which I had addressed to him, namely, that if the Schoeppel amendment to the Aiken amendment should be adopted, it would place in effect for the five basic commodities which are affected the flexible rates of support from 82½ percent to 90 percent for 1 year only, that is, for the next crop year, and that following that, the 1949 law would go into full force and effect. In other words, the issue which will be before the Senate in voting on the Schoeppel amendment, and on any additional amendment to the so-called Aiken amendment which may follow, will be the question as to whether or not we are to embark upon a program of flexible supports for the next crop year for the five basic crops which are involved, and going further in succeeding years than is suggested by the amendment offered by the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. DWORSHAK], and the Senator from Oregon [Mr. CORDON].

It is well known that, insofar as I am personally concerned, I would rather have seen greater flexibility given in the first year; but I have studied the subject carefully, and I find there is only one basic crop that would have been affected in a greater degree in the next year than the 82½ percent which would be permitted under the amendment which we are discussing. That crop, wheat, would have come just barely under the 82½ percent. If the dire predictions made by the junior Senator from North Dakota [Mr. YOUNG] as to the reduction of this year's wheat crop should be realized, the 82½ percent provision might not even make any reduction in the flexible rates for that first year, 1955.

Since the net effect is so small, and since I think those of us who are supporting flexible price supports are interested primarily in getting the principle underway, I shall support the Schoeppel amendment.

To what does the amendment apply? Since tobacco is not affected, it applies to five basic crops, namely, wheat, corn, cotton, rice, and peanuts, which have a total value equal to 19.57 percent of our annual cash receipts from agriculture, based on the last full year's report which we have, the year 1952.

I think every Senator knows that the support of those five basic commodities, totaling less than 20 percent of the total value of our agricultural production, involves by no means a national question or a total agricultural question.

I am speaking with complete confidence that I am making a true statement when I say to the Senate that I am sure that the producers of many other crops feel they have been adversely affected by the limited 90 percent rigid price-support program, effective as it is only to a few basic crops, and unaccompanied by any well-worked-out program either for set-aside, which would allow for the years of heavy production during the Korean catastrophe, or for diverted acreage. As every Senator knows, we have the problem of diverted acreage,

involving 30 million acres from only 3 crops, namely, corn, wheat, and cotton, which have been displaced from that huge area and for which area the owners have been trying to find a use.

It is unthinkable that we should continue the operation without any more reasonable handling of diverted acreage than is possible under present law. The law which is now proposed would provide better handling for diverted acreage and a liberal set-aside, which takes out of the calculation any amount of the surplus on hand which may be regarded as a sound and strategic reserve.

I wish to make only three points and then I shall take my seat. The first is that the arguments which I have heard made this afternoon so eloquently by those who want to continue rigid price supports are, in nearly every instance, a complaint against present conditions, without the offer of any cure or corrective measures.

The distinguished Senator from Georgia [Mr. RUSSELL] who is probably the strongest advocate in the Senate for the rigid price-support structure, made it very clear that he felt that a large proportion of agricultural producers are in a very abject economic situation at this time. The figures he used were to the effect that the average income of those in agricultural production was $822 a person a year, and that many people were making much less than a scanty living out of agricultural production. He compared the figure of $822 with the $1,900 average income of those persons not engaged in agriculture.

It seems to me that the distinguished Senator, ardently as he loves agriculture and agricultural producers, was making the best argument for a needed change that could possibly be made, because it so happens that that kind of situation, if it be correctly portrayed by his figures, has followed after 12 years of support of the basic commodities at 90 percent of parity. If such support has brought about a condition as poor as the Senator from Georgia mentioned, it seems to me it is about as sound an argument as could be made to establish the necessity for a change.

The next argument the Senator from Georgia made was that in the past 2 years, when surpluses have been piling up, the total assets of the agricultural producers of the Nation were shown by his figures to have been reduced by more than $14 billion. Could the Senator from Georgia have made any stronger argument in support of the proposition that we are not following the right course at this time to bring about prosperity for agriculture?

Those of us who feel very strongly that such is the case are supporting the flexible program, because as we look at the great field of flexible-support commodities, which is a very, very large field, indeed, as a rule we find the producers of flexible-support commodities more prosperous than are the producers of the basic commodities. We find that many of the producers of commodities which have flexible supports, or no supports at all, are in a highly prosperous condition, because under flexible price supports there is a partnership arrangement between the producers and the Government, under which producers try to bring their production in line with demand. It apparently has worked, because the level of prosperity for producers in the flexibility-supported crops is higher than is the case with producers of basic crops.

In closing, I wish to say that there is one Senator who has a peculiar grasp and a unique understanding of the entire problem, and who is doing something he rarely does, and that is oppose the majority of Senators who sit on his side of the aisle, because he thinks he is right. So far as I am concerned, I know he is right. I refer to the distinguished Senator from New Mexico [Mr. ANDERSON], who bases his conclusions on his activity in the House of Representatives, his years of activity in agriculture in South Dakota and New Mexico, and his years as head of the Department of Agriculture. He certainly made a fine record in the highly important post of Secretary of Agriculture, a record of which we are all proud. The Senator from New Mexico has told us as clearly as anyone could—and I am sorry every Senator was not present in the Chamber to hear him—that we are deliberately pricing ourselves out of the international market; that we are doing the very things we should not do by the maintenance of 90 percent rigid price supports; and that, in short, although he did not put it this way, we are cutting our own throats in the markets of the world by insisting on a continuance of 90 percent price supports, under which we have had such a lack of prosperity that it has called for the comments of the distinguished Senator from Georgia [Mr. RUSSELL] which I mentioned a while ago.

Mr. President, there could be no better evidence of that fact than what has happened in the case of the long-staple cotton producers, who but a little while ago came in to Washington and requested that in the new law they be allowed the benefit of the flexible price support structure at the lowest figure permitted under the provisions of the Aiken law. Strange as it may seem, the Senators will find that treatment of long-staple cotton provided for in both the majority and the minority bills.

Mr. President, those people are very intelligent people. They are high-grade people, who are producing in competition with Egypt and India. We all know what their situation is. They have seen their products priced out of the international market. They have come forward and made that statement, and have taken the position which I have stated and which has been called to our attention by the distinguished Senator from New Mexico [Mr. ANDERSON] and other Senators.

Mr. President, how long are we going to continue this program which has brought not prosperity but the greatest surpluses we have ever known; which has brought scandal upon the whole effort of Congress to provide a better program for our agricultural people; and which bids fair to do more of the same if we continue it in force?

Mr. President, I strongly hope Senators from every part of the Nation will support the effort to begin to put into effect a program which has been approved under both Democratic and Republican administrations, and by both a Democratic and a Republican Senate. Insofar as the Democrats are concerned, that action in 1949 was the result of the deliberate inclusion in the 1948 platform of the commitment to go into a program of flexible price supports.

Mr. President, I strongly support, therefore, the adoption of the Schoeppel-Anderson - Dworshak - Cordon amendment, and then the adoption of the amendment offered by the Senator from Vermont [Mr. AIKEN] as so modified.

Mr. AIKEN. Mr. President, have I any time left?

The VICE PRESIDENT. The Senator has 3½ minutes.

Mr. AIKEN. I yield to the Senator from Utah [Mr. WATKINS] such part of the 3½ minutes as he may desire.

Mr. WATKINS. Mr. President, I ask unanimous consent that I may have printed in the body of the RECORD a statement I have prepared on the bill which is now before the Senate.

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

STATEMENT BY SENATOR WATKINS

AGRICULTURE'S BASIC PROBLEM—OVERPOPULATION

The latest figures indicate that a farm population of some 23 million—about 16 percent of our total population—is actively engaged in farming as a vocation.

These people live on approximately 5½ million farms, more than two-thirds of which are tenant-operated.

In 1940 there were more than 3 million farms—over one-half of all the farms in the country—from which the average value of products produced was only $700.

In 1945, 80 percent of our marketable crop value was produced by one-third of our farms, 16 percent by the middle third, and the remaining 4 percent by the lowest one-third.

If adjustments are made for inflationary effects, the picture on this score has not altered much during the past 10 years.

In 1948, almost 43 percent or over 2½ million farms were too small to yield a satisfactory level of living for their occupants, producing only 6 percent of the gross farm income. This condition, mind you, existed in a period in which farmers generally never received better prices for their products nor higher incomes for their efforts.

Today, over 70 percent of colored farmers are still tenants. In the South, balanced farming has been achieved by only a portion of small farmers, white and colored. The majority of these people earn less than $1,000 a year.

Figures released last week by the Department of Agriculture reveal that in 1953, the per capita average income of our farm population was $882, compared with a per capita average income of nonfarm population of $1,898. Nonfarm per capita average income therefore more than doubles that of our farm population. Here is the basic problem confronting American agriculture today—too many small, inefficient farming units. Its cause does not have one thing to do with whether farm prices are supported or not. Why? Let me explain.

The chief beneficiaries of the nearly $7,500,000,000 that farmers have received under

price and other types of support programs have been the upper one-third of our farmers—some 9 million farmers living on 2 million of the most efficient and well operated farms. These farms produce nearly 80 percent of our annual marketable crop value.

For every dollar that the small farmer receives through price support, many more dollars come to the big operator, and the competitive advantage of the big operator is thereby increased.

For example, in Kansas, for the 1953 crop, the average wheat loan was $1,525 and the average of the 5 largest loans was $106,963. In Mississippi the average cotton loan was $372 and the average of the 5 largest loans was $479,535. In Iowa, the average corn loan was $2,154, while the average of the 5 largest loans was $98,535.

For wheat, corn, and cotton in the above States the 5 largest loans averaged 25, 46, and 1,290 times as great, respectively, as the State averages.

It should immediately become obvious that the problems associated with lifting the levels of living of about two-thirds of our farm people who live on farms which, for one reason or another, are uneconomic units, have not been and can never be solved through price-support programs.

It helps a farmer very little to have prices go up if he has little or nothing to sell, which is just about the size of it for two-thirds of our farmers.

From the foregoing, therefore, it is evident that the average "family sized farm"—which we hear so much about the need for preserving these days, from some vocal quarters—is really not much of a farm at all.

I do not deny that the few extra dollars which might come to these people—the 66 percent of our farmers who produce but 20 percent of our annual marketable crop value—through price support, and Agricultural Conservation Program payments are important. But they are at best of only short-run value—"effect-treating" in nature, so to speak, rather than of a "cause-removing" nature, and, therefore, of little permanent value to these people in particular and the country in general.

Such payments have, however, provided some politicians with the opportunity of exploiting these people by offering them a paltry little payment in return for their vote. This is done under the guise that such programs will solve their problems.

In other words, instead of legislating ameliorative programs which would treat the cause of their poverty—such as better education, including technical and vocational training in nonfarm employment, and the encouragement and development of local industry as well as relocation of industry in rural areas—these advocates of high rigid price supports have been devoting their efforts mainly to capturing the farm vote. It is now evident that these "captured" farm voters, like their urban brethren, are largely ignorant of why, how, and for whom price support programs operate.

Whenever the present Secretary of Agriculture and his assistants have called attention to this basic problem of overpopulation in agriculture—too many small and inefficient farms which will not return their operators a decent living—they have been accused by their noisy and politically inspired critics of serving only the interests of the large, wealthy farmers.

On the contrary, it is true that today we have a Secretary of Agriculture who, time and time again, has demonstrated his love and concern for the small rural farmer and his family. It is also apparent that today we have a Secretary of Agriculture, who in the face of terrific criticism and bitter partisan political pressure, has the courage and character to give the American people the true facts about the condition of our agricultural industry. He is a man who loves people, whose every move is made with care and concern for their welfare, and who has a deep faith in the ability of the common man to make the right decision when given the facts.

As previously noted, these people on two-thirds of the Nation's farms produce less than 20 percent of the annual marketable crop value and receive less than 18 percent of the total net cash income of agriculture. This fact alone explains why the bulk of our farmers—nearly 70 percent—do not belong to any general farm organization, and why all the major farm organizations draw the largest part of their membership from farmers of high economic status, as one recent scholarly study reveals. (Dr. Grant McConnell, The Decline of Agrarian Democracy, Berkeley: University of California Press, 1953.)

It should be obvious that it is the commercial farmer—the one-third who receive over 80 percent of the total net cash income of agriculture—who seeks membership in farm organizations. Not only that, but these rigid price-support programs have been concocted by the Congress at the insistence of their pressure group representatives—the general farm and commodity organizations.

It is easy, therefore, to understand why such organizations not only have not been concerned with solving the problems of the prostrate portion of agriculture, but also why they have limited their interest concerning price supports to but a few favored commodities. These are called "basic" commodities, but, as I shall show, they are, of course, intrinsically no more important or basic than any other commodity; in fact, not as much so.

Sales of the 6 basic crops that have mandatory 90 percent of parity price support account for only 23 percent of the cash farm income in the United States. Never, except in specialized cases involving political self-interest, have these people made any serious pretense that the parity concept should give prices of comparable generosity at 100, 90, 80, or 70 percent of parity, through the market or otherwise, for the nonbasic crops. Yet these nonbasic crops account for nearly 77 percent of the annual cash farm income.

It becomes evident to the impartial observer that opposition to the President's flexible-price-support program is not opposed so much on economic principle as it is because of the obvious self-interest of many vocal and well-organized pressure groups in agriculture.

Viewing the farm problem in this setting, one cannot help suspecting that a great deal of the so-called aid to agriculture in the form of high fixed supports is, in fact, a great political bluff engineered by farmers, who not only are wealthier but also are the most politically active. They hope to obtain general acceptance of a policy of high fixed price supports on the grounds that farmers are poor, but the assistance, as I have shown, goes not specifically to the poor farmers—the two-thirds who produce 20 percent of the marketable crop value and receive 15 percent of the annual net cash income of agriculture—but primarily to those farmers who already are in the most advantageous economic position.

Under these circumstances, it is not too difficult to understand why agricultural spokesmen have exhibited little awareness of basic agricultural problems outside the two orbits of price and credit. From a practical point of view, it is only being realistic to recognize that we cannot help all the small farmers to find their niche in farming. As our economy grows, agriculture's part will become relatively smaller, that is, a smaller percentage of the total population will be needed to produce our food. Our conclusion, based upon cold economic fact, is not that we should have less agricultural policy, but rather that in speeding the improvement of productivity, marketing, and consumption through basic research, we must also make adequate provision for expediting the migration out of agriculture which that improvement necessitates.

In other words, the economic and social answer to agricultural poverty is not price support, not the small dole, but mobility—a gradual movement of the displaced farm people into other areas and occupations where they can make a living and find opportunity. No specialist of the United States Department of Agriculture, or professor of the great land-grant colleges and universities of this country, or, for that matter, no Member of the Congress can, for example, make 2½ acres of share-cropped tobacco, or 15 acres of hillside, bottomland, or alkali soil produce a reasonable living. The harsh truth is that the solution to many a small farmer's economic problem is not to be found in agriculture at all, even with the most generous price-support program that could be devised by a heedless government headed for national bankruptcy.

For these underprivileged farm people—nearly two-thirds of our farm population—who are actually in the greatest need of governmental aid, programs other than price support are needed. The present administration, I am glad to report, has not let this alternative need go unheeded. Mr. John H. Davis, Assistant Secretary of Agriculture, early last summer told the public:

"We must remember the special problems of the small-income farmer. There are many small farmers in this country who do not have the necessary resources, such as land and credit, that will enable them to operate with a reasonable degree of efficiency and thus provide a decent standard of living for the farm family. For these small farmers special measures need to be developed in order to provide them with the assistance they need to broaden their opportunities for improving their circumstances."

One of the proposals of the new farm program is to study this situation and make recommendations for actions to be taken to improve the conditions of these small operators. During 1954, the President's National Agricultural Advisory Commission is giving paramount attention to this problem.

This administration is to be complimented, not criticized, for having brought this problem to the attention of the general public, for exploding the myth that all farmers are wealthy, and for having taken concrete steps to provide this Congress with recommendations for eventual elimination of the basic agricultural problem—overpopulation.

THE INDIAN PROGRAM

Mr. WATKINS. Mr. President, there has been much misinformation circulated on the far-reaching Indian program being pursued by the 83d Congress and the administration.

Actually, there has been more progress made toward full liberation for the American Indian during the past 2 years than has been attained over many years in the past. After decades of mismanagement of Indian affairs, this Nation is at long last seeking to assimilate its fine Indian people and to give them the same opportunities and privileges accorded to their white brothers. There is no doubt that 1953–54 will go down in the history books as the beginning of a period of new progress and new hope for the Indian peoples of this Nation.

This progress was recently recognized in an article in the New York Times of July 18. I hereby request unanimous consent to introduce this article as a part of these remarks.

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

PROGRAM TO FREE INDIANS ADVANCES—BILLS TO TERMINATE UNITED STATES RULE OVER 11 TRIBES OFFERED—WATKINS IS ENCOURAGED

(By Bess Furman)

WASHINGTON, July 17.—Congress this session has made noticeable progress on its program to free the Indians from Federal supervision.

This aim was announced last session in a concurrent resolution, No. 108. It recommended broad legislation to end various aspects of Indian segregation, and also listed certain tribles considered culturally and educationally ready to run their own affairs. Bills to free 11 tribes were introduced.

One tribal termination bill has become law—that for the Menominees of Wisconsin. Under so-called termination legislation the Federal Government relinquishes all supervision over Indian lands and property.

Similar bills on the small tribes of Utah and the Indians of Texas and of Oregon have been voted by the Senate and await action by the House of Representatives. Joint hearings of House and Senate Indian Affairs Subcommittees have been held on many other termination and allied bills that would carry forward the liberation program.

WOULD SHIFT HEALTH SERVICES

One bill, which would transfer Indian health services from the Indian Bureau of the Interior Department to the Public Health Service of the Department of Health, Education, and Welfare, has been voted by both Houses.

Today the Senate-House conferees agreed to make July 1, 1955, the effective date for the transfer of some 60 hospitals.

A bill that would turn the Indian Extension Service, now under the Indian Bureau, over to the Extension Service of the Department of Agriculture, has passed the Senate and awaits House action. Already through cooperative arrangements, the report on this bill said, 5,000 Indian boys and girls have been enrolled annually in the 4-4 program in recent years.

"By providing extension service through the county agent system," the report added, "the Indians will be encouraged to participate in home demonstration work, county fairs, achievement days, farms tours, and short courses. By learning to work with non-Indian neighbors and with State and county employees, the Indians will also be encouraged to look less frequently to the Federal Government for services which have inevitably tended to be paternalistic."

Senator ARTHUR V. WATKINS, Republican, of Utah, and chairman of the Senate Indian Affairs Subcommittee, said that because of Congress' interest, more progress had been made by the Indians in the last few years than in the previous 25.

He cited the vocational school in Brigham City, Utah, now training 2,300 Indian youths, as an example of recent educational moves to speed up the termination program. He said that a special appropriation was putting trailer schools all over the Navaho Reservation.

"By next fall," he said, "the 14,000 Navaho children who have had no access to education will be in school."

WATKINS SEES PROGRESS

Senator WATKINS said that ending supervision would cause the Indians to progress "under the spur of necessity" like other Americans; and that they would become taxpaying citizens rather than looking for "Federal windfalls."

A different position has been taken by the Association on American Indian Affairs and by the National Congress of American Indians. These groups have opposed the termination bills as "abdication" of Government responsibility and violation of treaties and agreements.

Some of the treaties date back to 1794, notably that of the New York Indians under which cotton cloth has been distributed annually since the days of Washington.

Each termination bill is drawn to fit a special situation.

Under the Termination Act for the Menominees, a specified period is allowed for closing of tribal rolls. The Federal Register then will publish the names of final membership. On the publication day, each member will get a certificate of his interest in the tribal property. The tribe is required to obtain the services of management specialists, including tax consultants, to complete the arrangement for independent conduct of tribal affairs, corporately or by division among members.

Mr. WATKINS. Mr. President, an important factor in this program has been the administrative energy and ability shown by Glenn L. Emmons, Commissioner of Indian Affairs. His role in planning and implementing this program, in cooperation with the Congress, is aptly described in an editorial appearing in the Washington Daily News of July 27. As chairman of the Senate Subcommittee on Indian Affairs, I have had many contacts with Commissioner Emmons and his staff, and I can vouch for the estimate of Mr. Emmons as presented in the Daily News. He is stamping himself as both an able administrator and an individual who feels keenly his responsibilities in putting into effect a broad new program affecting the economic and social future of the Indians.

I request unanimous consent to have this editorial printed in the RECORD as a part of these remarks.

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

POINT 4 AT HOME

Our treatment of the American Indians has ranged from cruelty to maudlin paternalism to neglect. But seldom have the Indians been regarded simply as people and real efforts been made to bring them into the mainstream of American life.

The many Indians who have become assimilated through their own efforts prove, however, there is no significant difference between the innate capabilities of redskinned Americans and those of other colors. All that most Indians need is simply equality of opportunity.

The new Commissioner of Indian Affairs, Glenn L. Emmons, is demonstrating a real understanding of the basic problems of the Indians and is launching a program that promises to do something about them.

What it amounts to is a modest "point 4" program at home—and no people better deserve that kind of aid.

The program intends to bring sanitation, health, and education to the long-neglected Navahos and to offer their young people and other reservation Indians opportunity for jobs in the outside world. A relocation program headquarters will be opened next week in Denver for the latter purpose. Commissioner Emmons also feels that all-Indian schools are not desirable.

He is quite correct. The reservation system itself is outmoded, as is every policy that sets the Indian apart from his fellow Americans.

The Government has an obligation to the Indians, but it can best discharge it by helping them to help themselves.

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other purposes.

Mr. AIKEN. Mr. President, I yield to the Senator from Idaho [Mr. DWORSHAK] 4 minutes on the bill.

Mr. DWORSHAK. Mr. President, in 1952 at the time of the political campaign we were engaged in the Korean war. The then Secretary of Agriculture, Mr. Brannan, had made an appeal for expanded production of food and fiber. At that time the 90 percent rigid price support program which was in effect resulted in increasing the production of essentials needed at that time.

Near the end of the Korean war it became apparent that 90 percent price supports would result in the creation of huge surpluses of food and fiber. It was obvious that Secretary Brannan in 1952 should have proposed acreage controls on the 1953 wheat and other crops.

Every Senator who has participated in this debate has stressed the fact that his objective is to stabilize agriculture and to make farmers prosperous; but the record shows that the 90 percent rigid price supports for the basic crops did not solve the farm problem. The 90 percent rigid price supports resulted in control from Washington.

We have witnessed drastic reductions in the past 2 years in wheat allotments.

To illustrate, in my State there are many wheat farms of about 400 acres, and the farmers follow the practice of summer fallowing, which means planting 200 acres to wheat annually. In a specific instance, the 200 acres have been cut back in the current year to 127 acres planted to wheat. Obviously a farmer with 400 acres of wheatland cannot be restricted to the planting of 127 acres and still be able to make a living.

Mr. President, unless we adopt some reasonable compromise with respect to flexible price supports it is possible that the provision for 90 percent rigid supports now in force, and which was recommended by the Senate Committee on Agriculture and Forestry, would result in a veto by the President, with the inevitable result that there would be a return to the provisions of the 1949 act, with 75 to 90 percent price supports on the basic crops.

In view of the fact that the House of Representatives has adopted a bill providing price supports for basic crops at from 82½ to 90 percent I think this is a reasonable compromise, particularly in view of the fact that the President said that the House version of the price-support bill with respect to the basic commodities reflects the principle of flexible price supports. The President said that was a "great victory."

I can see no logical reason why we should contend here either for the 80

to 90 percent supports or the 90 percent rigid supports, in view of the fact that the President has indicated that he is willing to accept the House version of the bill, with 82½ to 90 percent supports.

Another vital factor is that if the Senate adopts the same provision on the basic commodities as the House adopted, when the bill goes to conference there will be no opportunity for the conferees to engage in a long-drawn-out controversy, with contentions over whether we are to have 90 percent rigid price supports or whether we are to have 80 to 90 percent flexible price supports.

Therefore, Mr. President, I think we are about to vote on a compromise which is reasonable, which probably has the support of the farm leaders, and which especially has the support of the President. I do not know whether this proposal has been approved by the Secretary of Agriculture, Mr. Benson, but in view of the parliamentary situation confronting the Senate at this time, and in view of the action already taken by the House of Representatives on the price supports for basic commodities, it seems to me this is a reasonable and realistic compromise. I think it is a compromise which we should approve at this time, and thus eliminate unnecessary, long-drawn-out controversy over what should be done to stabilize the agricultural industry.

The VICE PRESIDENT. The time of the Senator from Idaho has expired.

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished Senator from North Dakota [Mr. YOUNG] 1 minute.

The VICE PRESIDENT. The Senator from North Dakota has 1 minute.

Mr. YOUNG. Mr. President, 2 telegrams which were received from 2 of the State grange organizations have been inserted in the RECORD. Some of the remarks made during the time of their introduction for the RECORD indicated that Mr. Herschel D. Newsom, Master of the National Grange, was out of line in opposing the provisions of the 90 percent amendment.

I should like to have inserted in the RECORD a letter from Mr. Herschel D. Newsom to the Honorable CLIFFORD R. HOPE, chairman of the House Committee on Agriculture, dated June 30, 1954, in which he clearly sets forth the position of the National Grange.

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

NATIONAL GRANGE,
Washington, D. C., June 30, 1954.

Hon. CLIFFORD R. HOPE,
New House Office Building,
Washington, D. C.

DEAR CONGRESSMAN HOPE: H. R. 9680 contains many provisions that point the way toward a permanent solution to the farm problem through a commodity-by-commodity approach which we could not hope to achieve if all commodities were put under a single flexible price-support plan through a return to the provisions of the Agricultural Act of 1949. We believe the Agricultural Act of 1954 embodies real progress in the right direction, and sincerely hope that it will be passed by the Congress and approved by the President.

The Grange realizes that changes must be made in the present farm program, since segments of it do not serve agriculture and the Nation well. The current surplus situation is untenable and new approaches are necessary. It is our feeling, however, that basic price moves should be made rather gradually, and that this bill embodies essential elements of such gradualism.

It is the feeling of the Grange, furthermore, that the present controversy over the level of price supports for the basic six farm commodities is being magnified all out of true proportion. This is for the reason that high fixed versus flexible price supports is not the heart of the farm problem. The heart of the farm problem at the present time is bringing supply into balance with demand. This process is currently going forward, and H. R. 9680 adds impetus to this movement.

Those who would admittedly like to see the Agricultural Act of 1949 become effective by default of any new legislation being approved; or those who have persistently insisted on moving rapidly and almost exclusively to flexible price supports for the basic six farm commodities as the only solution to the farm problem, have refused to take into full account the drastic changes in our farm income and supply situation that have taken place since 1949. Over the long pull, it is the feeling of the Grange that flexible price supports are basically valuable and desirable. On the other hand, flexible price supports right now would do little to increase consumption of most commodities here at home. They would not lower prices enough in most cases to enable the American farmer to compete for his fair share of the world's market at the world market price level; flexible price supports at this time would do little to discourage production of those commodities in burdensome supply, since flexibility of production can be attained only when some other crop is more profitable or less unprofitable. There are few crops currently in this category.

The differences in points of view by the various groups involved in this price support struggle seem to us to be predicated largely on a difference of appraisal of the effect that a further decline in farm income might have upon our total national economy. The Grange is dedicated to the proposition of bringing about a situation whereby agriculture may shift from a wartime level of production to peacetime requirements without its having to suffer a period of severe deflation, which it has always had to do in the past following periods of war-born inflation.

H. R. 9680 also gives expanding recognition to competitive price mechanisms, while at the same time cushioning farm-price problems until new measures can become operative.

Very sincerely yours,
HERSCHEL D. NEWSOM,
Master.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the distinguished Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I am not in favor of compromising the American farmer. It seems to me that all these last-minute pleas for compromising a piece of legislation overlook the fact that the adoption of the legislative compromise would compromise the American farmer.

It is very interesting to note that in the dying minutes of the debate on the pending amendment there has been offered an amendment to the amendment, seeking to increase the minimum parity support from 80 to 82½ percent. I say most respectfully that it is a confession of voting weakness on the part of the proponents of the original Aiken amendment.

On last Friday I made my major farm speech in support of fixed parity in contrast to flexible parity, and in these closing minutes I wish to focus attention on the farmer's legitimate interest in a fixed parity in contrast with a flexible parity.

A flexible parity, in my judgment, would expose the American farmer to great uncertainty so far as farm planning is concerned. In voting against flexible parity I am voting against granting to mere men—in this instance in the Department of Agriculture—an arbitrary discretion. I think American farmers are entitled to legislation which fixes the parity at a definite level, and 90 percent of parity does exactly that.

I have listened with great interest to the charge that this parity program discriminates against other products, but I think it is perfectly clear from the record that the fixed-parity program has resulted in a remarkable degree of stability in farm prices. It is when the flexible principle is brought in, as it has been brought in with respect to the dairy industry in recent weeks, that confusion and chaos overtake the dairy industry.

There has been discussion throughout the debate about an overabundance of farm supplies in this country. I repeat what I have said before: We do not have an overabundance of foodstuffs. So-called surplus food is one of the greatest national assets we have from three different fronts. First, from the front of a check so far as meeting our needs is concerned, in case of sudden war—and who among us can say that danger is not present?

Second, a check, Mr. President, from the standpoint of drought——

The VICE PRESIDENT. The Senator's time has expired.

Mr. MORSE. Will the Senator yield me 1 more minute?

Mr. HUMPHREY. I yield 1 additional minute to the Senator from Oregon.

Mr. MORSE. Third, from the standpoint of going forward with a dynamic program to meet the threat of Russian communism in the field of ideology on the international front. We ought to be using surplus food in our contest economically with Russian communism in the backward areas of the world.

I close by saying that I shall vote for fixed parity, because I do not propose either to compromise the American farmer or to run the risk of starting a movement in this country that will lead to a farm recession, which I think flexible supports would do, thereby jeopardizing the economic prosperity of the consumers of the country generally.

Mr. JOHNSON of Texas. I yield 2 minutes to the distinguished Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, I hold in my hand a letter I received from Warren, Minn., signed by two gentlemen, Orrin C. Kruger and Neil Kruger. I shall read one paragraph and then ask unanimous consent that the entire letter be inserted in the body of the RECORD.

I want you to know that I am a member of Farm Bureau, president of the unit, and

neither I nor the unit members support the policy of our organization. Furthermore, I have talked with Farm Bureau members from all over the State and I have yet to find anyone who is pleased about flexible supports besides our State president and board members.

Mr. President, I ask unanimous consent to have the entire letter printed in the body of the RECORD.

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

WARREN, MINN., *August 2, 1954.*

Hon. EDWARD J. THYE,
Washington, D. C.

DEAR SENATOR: Just a few lines to let you know we are for you on the farm bill legislation. I know that the administration is getting its support from the Farm Bureau.

I want you to know that I am a member of the Farm Bureau, president of the unit, and neither I nor the unit members support the policy of our organization. Furthermore I have talked with Farm Bureau members from all over the State and I have yet to find anyone who is pleased about flexible supports besides our State president and board members.

Especially bad for Minnesota farmers is 75 percent dairy supports now in effect. At that price we are on depression prices right now. Even though we may not win this fight I want to thank you for your efforts in our behalf and let you know that we are wholeheartedly behind you.

Sincerely yours,

ORRIN C. KRUGER,
NEIL KRUGER,
President of Alma Loldahl Farm Bureau Unit.

Mr. THYE. Mr. President, I wish to refer to and read a few paragraphs appearing in an article in the Indiana Farmers Guide of August 1, 1954. The article is entitled "Inside Washington," and is written by John C. Davis:

Look for some speedy action in the business of disposing of Commodity Credit dairy stocks once the farm bill issue is resolved by Congress. There is not much doubt but that the administration has delayed action in the hope of building up support for its position in the fight of 90 percent versus flexible supports.

A domestic butter-disposal program was all ready to go on June 1 but was delayed for this purpose. The program would have given the housewife a pound of butter at about 45 cents, just a few cents higher than the bargain that is now being given to export buyers. It should be ready by September 1.

You can also expect an abrupt reversal in the administration's farm position. The theme that has been played for the benefit of the 90 percent versus flexible fight, to wit: that farm prices are too high and must come down, will be soft-pedaled and the new approach will be to the effect that farm prices have gone as low as is safe, not only safe for farmers but for the entire economy.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Senator's time has expired.

Mr. JOHNSON of Texas. I yield 2 minutes to the distinguished senior Senator from Wisconsin [Mr. WILEY].

Mr. WILEY. Mr. President, I shall not take the time of the Senate to comment in detail with regard to the pending amendment, known as the Aiken amendment, or the overall farm parity bill. I am interested in seeing that the farmers of this country get at least the cost of production plus a reasonable return for the commodities they produce.

In recent months and in preceding years, I believe I have made my position clear. I do not believe any one of the suggestions which will shortly come before us will be the solution. However, I believe that it is our duty to see that we do not endanger the economy of this country or start it into a tailspin. I do not believe, either, that it is our function to endanger the farm economy, which is a great segment of the national economy. Let us stop, look, and listen before we take this step.

In my judgment, the Aiken amendment would unfortunately impair farm purchasing power. On the floor of the Senate I have spoken heretofore of the effect subparity prices for milk have already had on farm machinery manufacturing plants and labor. The result of the lowered purchasing power would be felt immediately, even to a greater extent than has already been the case. It would be felt in every village, town and city of the Nation, in lowered sales of farm machinery, in idle labor, and in lowered purchases of products needed by farm families.

I believe, therefore, that, at least for the present, a lowering of farm parity is contrary to the best interests of and to the economic well-being of the Nation.

I completely understand the thinking behind the position of the distinguished sponsors and supporters of this amendment. They are concerned about the problem of farm surpluses. I, for one, feel that by a program of heightening consumption and by other disposal means which have been suggested on the floor—a resolution will be found of the surplus problem. We had better have surpluses than lack and a sick economy.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. JOHNSON of Texas. Mr. President, I yield an addition minute to the distinguished Senator from Wisconsin.

Mr. WILEY. We have provided $350 million in the mutual security bill for the purpose of reducing farm surpluses. I believe we can lick the problem of surpluses without resorting to the dangerous method of lowering farm parity.

In my own State of Wisconsin, dairying, which is the backbone of the livelihood of 3½ million people, has already suffered reverses. Why? Dairy farmers getting from 5½ to 6 cents a quart for their milk.

I heard what the distinguished Senator from Vermont [Mr. AIKEN] said about the Grange in Vermont. In New England dairy farmers are getting 9 or 10 or 11 cents a quart for milk. They can produce it at that price and make a profit, but in Wisconsin—and I am a member of the Grange—we cannot produce milk at 5½ cents and make a profit. That is the reason I believe we should be sure that the farmer gets at least the cost of production on what he produces. Ninety percent of parity will assure him of that.

To endanger that small return would, in my judgment, be totally unjustified and dangerous. I shall vote, therefore, against the Aiken amendment.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. JOHNSON of Texas. I yield half a minute to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I come from a State which is not an agricultural producing State, but a State which buys agricultural products. On the other hand, we in West Virginia do not want agriculture to fail. Therefore I expect to vote against the Aiken amendment, because it is a nonstabilizing amendment, and it would upset a definite program.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, we have witnessed a very peculiar and most unusual performance in the Senate. I have come to the conclusion that our friends on the other side of the aisle, including the Republican leadership, are experts in arithmetic, but are flunking in agricultural economics. They are experts in multiplication. They multiply all the misrepresentations on farm principles that they can possibly multiply. They are experts on division. They have divided the farmer from the city man, and they have divided the producer from the consumer. Finally, they have divided the farmers. They are experts in subtraction. They have reduced farm income by 20 percent. They have reduced the parity ratio to 88. Now they have become experts in fractions. They have come up with 82½ percent of parity to 90 percent as the cure-all—the magic formula.

We have been told that the Republican Party was a party of principle. I can understand that men may stand up and battle for 75 to 90 percent of parity levels. I can understand how men can fight for that principle. However, principle is out the window, and so is interest in the welfare of the American farmer.

Principle has been sacrificed, and interest in American agriculture has been sacrificed. What a shameful episode.

For months I have heard the Secretary of Agriculture come to Congress with pontifical piety and tell us that the moral fiber of the farmer must be protected, and that he must be readjusted 15 points down the river of economic disaster. Then the Secretary reconsidered. He thought perhaps that was a long, long drop. Therefore he was willing to compromise and readjust the farmer 10 points down the river next year, with no prediction as to the possibilities of the future.

So we have the Aiken amendment offered, providing for 80 to 90 percent supports. They dropped the 75-percent-to-90-percent provisions somewhere along the road. Now they have the proposed Schoeppel amendment, and are going to higgle and jibble the so-called adjustment, and make it 82½ percent. Perhaps if we keep the Senate in session long enough our Republican friends will make it 88 to 90 percent. Perhaps then we can start with fractions again, and

perhaps make it 88½ to 90 percent. Later perhaps we can make it 89⅞ to 90 percent. Possibly later principle will triumph, and we shall get 90 percent of parity, and a fair price will be established.

We speak about fractions. We are dividing the people with multiplications of misrepresentations. This is a most unbelievable performance. It proves but one thing. It proves that those who are opposed to a fair price, or 90 percent of parity, have no argument. All they have is an arithmetic book. I suggest that they appeal to the logic of agricultural economics. What do they have to say about lowered farm income? What do they have to say about depressed conditions among farm families? Will 82½ percent of parity do anything about it? Will it do good in meeting these problems? I know the purpose of the 82½ percent figure. Its purpose is to get enough votes in this Chamber to win for the "flexers" and to cut the farmer's income and weaken the farm program which we have worked for so many years to establish.

The President of the United States has a responsibility as the leader of this country. I spoke earlier about his pledges to the American people on the farm issue and on farm economics.

I want my Republican friends on the other side of the aisle—and I praise those who have seen the light—to examine every speech that President Eisenhower ever made. They will hunt in vain through all of them for the figure of 82½ percent. They will find the figure 90 percent, and they will find full parity. We do not get full parity by going in reverse.

If there needs to be some extra flexing, I suggest that the flexing be done on the McCarthy amendment which has just been proposed, and Senators who want to do some flexing upward can vote for that amendment. It is the amendment providing for 90 percent to 100 percent of parity.

Apparently we are supposed to write a bill that will please the White House. Mr. President, I am not voting for a bill to please the White House. I will vote for a bill that will meet the needs of the American people and of the American agricultural economy. What is good for the agricultural economy will be good for the White House. It will be good for the Senate, and it will be good for the Nation.

Let us make no mistake about it. No other part of the American economy is being fractionized. No one is proposing to make freight rates 6½ or 16½, instead of 20. No one is proposing that we reduce by 6½, 7½, or 2½ percent the price of tractors, airplanes, or tanks which we buy with our appropriations under the defense bill.

What we see here is a spectacle of political higgle and jiggle. That is what it is. I say to Senators that they may make it 82½ to 90 in this Chamber, but a day of reckoning will come in this land. The American people do not ask for special privilege. They ask for integrity. They ask for fulfillment of promises. I remind every Senator, with respect to the 2½ percent they have just bargained away in order to get another vote, that the votes that are important are not only the votes to be cast on this amendment, on the bargaining for 2½ percent, but also the votes that will be cast on November 2. On November 2 the American farmer will know those who are his friends, and those who bargained him out of parity in the marketplace.

Is this full parity in the marketplace? How do we get full parity by 2½ point jumps every time an amendment is brought before the Senate? Yes, principle has been thrown out the window. The interest of America has been sacrificed.

What the proponents of the Aiken amendment are doing is making a cut-rate deal. I want to see established fair standards for our people. This cut-rate parity deal will do only one thing. It will cut agricultural incomes. I remind Senators who are willing to bargain with principle that they may find that they are cutting their lifeline of political tenure. I remind Senators that promises and pledges were made, and those promises and pledges must be redeemed.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. AIKEN. Have I any time remaining?

The PRESIDING OFFICER. The time of the Senator from Vermont on the amendment has expired. He has time remaining on the bill.

Mr. AIKEN. Mr. President, I yield myself 2 minutes on the bill, because I am sure that Senators who just listened to the voice of the prophet will be interested in what became of one of his prophecies. On page 1771 of the RECORD, on February 16, 1954, the junior Senator from Minnesota made this prophecy:

> I shall make another prediction on the floor of the Senate, without being an expert in these matters. With the very large surplus of corn in storage, the price of corn will be down next spring. By next spring there will be little pigs coming out of our ears, and the surplus of corn will disappear in a short time. The great surplus of corn which is being talked about will have become a thing of the past.

The prophecy was fine, but the facts are that corn prices went up during the spring. The corn surplus has gone up from 764 million bushels to an estimated 900 million bushel surplus expected this fall. Otherwise the prophecy was entirely correct.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Minnesota two additional minutes.

Mr. HUMPHREY. Mr. President, I wish to answer the Senator from Vermont. I am interested in his prophecy—his estimate of the corn surplus in the fall of 1954. With drought in 14 States, if the Secretary of Agriculture would do as he should do in order to meet the drought condition, the corn surplus could be handled at reasonable prices so that the drought condition would be met. I say that every farmer in America will hold accountable the Senate for the cut-rate bargain-counter politics being played here with farm parity.

Make no mistake about it, we do not need to have any prophetic wisdom to see that. When the roll is called I wish every Member of the Senate to realize that we are not voting upon what was once called a great issue or principle, 75 to 90 percent of parity. We are voting upon the bargain-counter proposition to get votes in this Chamber to kill 90 percent of parity. That is what we are voting upon.

I think this is a most unusual performance. Let the roll call be read and let it be reported in every weekly and daily newspaper in this land, so that people may compare the roll call with the pledges and the statements which have been made by the leaders of the Republican administration before they got in office and after they got in office.

SEVERAL SENATORS. Vote! Vote!

Mr. AIKEN. Mr. President, I yield a minute to the Senator from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. President, on October 19, 1949, there was a vote in this body on a motion to agree to the conference report on the Anderson farm bill. The report was a compromise between the high support of the House bill and the sliding scale of supports passed by the Senate. It embodied the principle of flexibility as a long-range peacetime policy, but assured high prices for basic commodities during a 4-year transitory period.

The vote resulted in 46 yeas and 7 nays, with 43 Senators not voting. Senators who did not vote included the Senator from Minnesota, who was listed as being in favor of flexible supports as provided by the Anderson bill approved on October 19, 1949.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Wisconsin [Mr. MCCARTHY] to the amendment of the Senator from Vermont [Mr. AIKEN].

Mr. YOUNG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. YOUNG. I believe there is some confusion as to what the next vote will be on. Will it be on the so-called 82½-percent amendment?

The VICE PRESIDENT. The question is on the amendment of the Senator from Wisconsin to the amendment of the Senator from Vermont.

Mr. YOUNG. If no further amendments were offered, the amendment providing for the 82½ percent would come first, would it not?

The VICE PRESIDENT. That, of course, will depend upon which Senator calls up an amendment to the amendment. The first vote will be on the amendment of the junior Senator from Wisconsin, providing for 90 to 100 percent price reports. The next vote will be on an amendment called up by whatever Senator is on his feet and who desires to offer an amendment. If no other amendment is called up, the amendment offered by the Senator from Vermont [Mr. AIKEN] will be in order.

Mr. YOUNG. The 82½-percent amendment would be an amendment to the committee amendment; is that correct?

The VICE PRESIDENT. The 82½-percent amendment is an amendment to the amendment of the Senator from Vermont, and it is to be in order.

Mr. YOUNG. It would provide for 82½ percent as against 90 percent. Is that correct? If the amendment should prevail, the provision in the bill would then be 82½ percent instead of 90 percent.

The VICE PRESIDENT. That would depend on whether the amendment of the Senator from Vermont, as amended by the 82½-percent amendment, is agreed to by the Senate.

Mr. YOUNG. There is a 90-percent provision in the bill now. Any 80-percent or 82½-percent amendment would be an amendment to reduce that level.

The VICE PRESIDENT. That is correct.

The question is on agreeing to the amendment offered by the junior Senator from Wisconsin [Mr. McCARTHY] to the amendment of the Senator from Vermont [Mr. AIKEN].

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I do not wish to take any more time of the Senate except to say that it is apparent that the Republican Senatorial Campaign Committee is not only interested in bargaining away the parity program, but also in stigmatizing certain Senators in this Chamber. I listened to the Senator from Idaho on the way that 90 percent of parity was voted in the Chamber of the old Supreme Court room, when the junior Senator from Minnesota was absent at his father's home. His father was not to live. I lost my father. I voted for 90 percent of parity in 1949. I didn't have to wait for election year. I believed in it at that time and I still believe in it, and I am not going to higgle and jiggle with fractions.

Mr. DWORSHAK. Certainly the Senator from Minnesota is not making the charge that I did not accurately quote the RECORD of October 19, 1949.

Mr. HUMPHREY. I am sure the Senator is always accurate, but the facts are sometimes surrounded by circumstances, and those circumstances were known to the Chamber on the day I voted for the Senate bill. May I say that I did not only vote for the extension of 90 percent of parity in 1952, but for 90 percent through the Russell-Young amendment in 1949.

Mr. DWORSHAK. I was merely calling attention to the vote on the Anderson bill, which is in the CONGRESSIONAL RECORD of October 19, 1949.

Mr. HUMPHREY. There will be attention called to the rollcall of this day, August 9, 1954, because it is the rollcall which will determine the basic agricultural legislation of this country. This is the rollcall which will separate those who believe in full parity for farmers and those who believe in bargaining it away.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Wisconsin [Mr. McCARTHY] to the Aiken amendment.

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

The VICE PRESIDENT. The Senator will state it.

Mr. KNOWLAND. Has all time expired?

The VICE PRESIDENT. All time on the amendment has expired.

Mr. KNOWLAND. I ask that the yeas and nays be ordered on the McCarthy amendment.

The yeas and nays were ordered.

Mr. KNOWLAND. 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:

Aiken	George	Maybank
Anderson	Gillette	McCarran
Barrett	Goldwater	McCarthy
Beall	Gore	McClellan
Bennett	Green	Millikin
Bowring	Hayden	Monroney
Bricker	Hendrickson	Morse
Bridges	Hennings	Mundt
Burke	Hickenlooper	Murray
Bush	Hill	Neely
Butler	Holland	Pastore
Byrd	Humphrey	Payne
Capehart	Ives	Potter
Carlson	Jackson	Purtell
Case	Jenner	Reynolds
Chavez	Johnson, Colo.	Robertson
Clements	Johnson, Tex.	Russell
Cooper	Johnston, S. C.	Saltonstall
Cordon	Kennedy	Schoeppel
Crippa	Kerr	Smathers
Daniel	Kilgore	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Kuchel	Stennis
Duff	Langer	Symington
Dworshak	Lehman	Thye
Eastland	Lennon	Upton
Ellender	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Frear	Mansfield	Williams
Fulbright	Martin	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment of the junior Senator from Wisconsin [Mr. McCARTHY] to the amendment of the senior Senator from Vermont [Mr. AIKEN].

Mr. KNOWLAND. Mr. President, may the amendment be read, for the information of the Senate?

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. In line 3, in the Aiken amendment, it is proposed to strike out "subsection (c) and."

In line 5, it is proposed to strike out "90" and insert "100", and to strike out "80" and insert "90."

Beginning with the semicolon in line 8, it is proposed to strike out down through the word "section" in line 10.

The VICE PRESIDENT. On this question, the yeas and nays have been ordered. The clerk will call the roll.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARTHY. A "nay" vote is a vote against the 90-percent provision; and a "yea" vote is a vote for that provision? Is that correct?

The VICE PRESIDENT. That is not a parliamentary inquiry.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Alabama [Mr. SPARKMAN], both of whom are necessarily absent, would vote "nay" if present.

The result was announced—yeas 12, nays 81, as follows:

YEAS—12

Chavez	Langer	Morse
Gillette	Magnuson	Mundt
Humphrey	Mansfield	Murray
Kerr	McCarthy	Young

NAYS—81

Aiken	Ferguson	Martin
Anderson	Frear	Maybank
Barrett	Fulbright	McCarran
Beall	George	McClellan
Bennett	Goldwater	Millikin
Bowring	Gore	Monroney
Bricker	Green	Neely
Bridges	Hayden	Pastore
Burke	Hendrickson	Payne
Bush	Hennings	Potter
Butler	Hickenlooper	Purtell
Byrd	Hill	Reynolds
Capehart	Holland	Robertson
Carlson	Ives	Russell
Case	Jackson	Saltonstall
Clements	Jenner	Schoeppel
Cooper	Johnson, Colo.	Smathers
Cordon	Johnson, Tex.	Smith, Maine
Crippa	Johnston, S. C.	Smith, N. J.
Daniel	Kennedy	Stennis
Dirksen	Kilgore	Symington
Douglas	Knowland	Thye
Duff	Kuchel	Upton
Dworshak	Lehman	Watkins
Eastland	Lennon	Welker
Ellender	Long	Wiley
Ervin	Malone	Williams

NOT VOTING—3

Flanders	Kefauver	Sparkman

So Mr. McCARTHY's amendment to Mr. AIKEN's amendment was rejected.

Mr. SCHOEPPEL. Mr. President, on behalf of the Senator from New Mexico [Mr. ANDERSON], the Senator from Oregon [Mr. CORDON], the Senator from Idaho [Mr. DWORSHAK], and myself, I offer an amendment to the amendment proposed by the Senator from Vermont [Mr. AIKEN], for himself and other Senators.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 1, line 5, it is proposed to strike out "80" and insert in lieu thereof "82½."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. SCHOEPPEL], for himself and other Senators, to the amendment of the Senator from Vermont [Mr. AIKEN].

Mr. SCHOEPPEL. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

On this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "yea" and the Senator from Alabama [Mr. SPARKMAN] would vote "nay."

Mr. CLEMENTS. I announce that on this vote the Senator from Tennessee [Mr. KEFAUVER], who is necessarily absent, would vote "nay" if present.

I announce further that on this vote the Senator from Alabama [Mr. SPARKMAN], who is necessarily absent, is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Alabama would vote "nay" and the Senator from Vermont would vote "yea."

The result was announced—yeas 49, nays 44, as follows:

YEAS—49

Aiken	Dworshak	Millikin
Anderson	Ferguson	Pastore
Barrett	Goldwater	Payne
Beall	Gore	Potter
Bennett	Green	Purtell
Bowring	Hayden	Reynolds
Bricker	Hendrickson	Robertson
Bridges	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd	Ives	Smathers
Capehart	Jenner	Smith, Maine
Carlson	Kennedy	Smith, N. J.
Cordon	Knowland	Upton
Crippa	Kuchel	Watkins
Daniel	Malone	Welker
Dirksen	Martin	
Duff	McCarran	

NAYS—44

Burke	Hill	McCarthy
Bush	Humphrey	McClellan
Case	Jackson	Monroney
Chavez	Johnson, Colo.	Morse
Clements	Johnson, Tex.	Mundt
Cooper	Johnston, S. C.	Murray
Douglas	Kerr	Neely
Eastland	Kilgore	Russell
Ellender	Langer	Stennis
Ervin	Lehman	Symington
Frear	Lennon	Thye
Fulbright	Long	Wiley
George	Magnuson	Williams
Gillette	Mansfield	Young
Hennings	Maybank	

NOT VOTING—3

Flanders	Kefauver	Sparkman

So Mr. SCHOEPPEL's amendment to Mr. AIKEN's amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the vote whereby the amendment was agreed to be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Vermont.

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

Mr. AIKEN's motion to reconsider was laid on the table.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from Vermont, as amended, to the committee amendment.

On this question, the yeas and nays have previously been ordered, and the Secretary will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

On this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "yea" and the Senator from Alabama [Mr. SPARKMAN] would vote "nay."

Mr. CLEMENTS. I announce that on this vote the Senator from Tennessee [Mr. KEFAUVER], who is necessarily absent, would vote "nay" if present.

I announce further that on this vote the Senator from Alabama [Mr. SPARKMAN], who is necessarily absent, is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Alabama would vote "nay" and the Senator from Vermont would vote "yea."

The result was announced—yeas 49, nays 44, as follows:

YEAS—49

Aiken	Dworshak	Pastore
Anderson	Ferguson	Payne
Barrett	Frear	Potter
Beall	Goldwater	Purtell
Bennett	Green	Reynolds
Bowring	Hendrickson	Robertson
Bricker	Hickenlooper	Saltonstall
Bridges	Holland	Schoeppel
Bush	Ives	Smathers
Butler	Jenner	Smith, Maine
Byrd	Kennedy	Smith, N. J.
Capehart	Knowland	Upton
Carlson	Kuchel	Watkins
Cordon	Malone	Welker
Crippa	Martin	Williams
Dirksen	McCarran	
Duff	Millikin	

NAYS—44

Burke	Hennings	Maybank
Case	Hill	McCarthy
Chavez	Humphrey	McClellan
Clements	Jackson	Monroney
Cooper	Johnson, Colo.	Morse
Daniel	Johnson, Tex.	Mundt
Douglas	Johnston, S. C.	Murray
Eastland	Kerr	Neely
Ellender	Kilgore	Russell
Ervin	Langer	Stennis
Fulbright	Lehman	Symington
George	Lennon	Thye
Gillette	Long	Wiley
Gore	Magnuson	Young
Hayden	Mansfield	

NOT VOTING—3

Flanders	Kefauver	Sparkman

So Mr. AIKEN's amendment, as amended, to the committee amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the Senate reconsider the vote by which my amendment, as amended, to the committee amendment was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Vermont to reconsider.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Vermont to reconsider.

Mr. AIKEN's motion to reconsider was laid on the table.

The VICE PRESIDENT. The committee amendment, in the nature of a substitute for the bill, is open to further amendment.

Mr. AIKEN. Mr. President, on behalf of myself and certain other Senators, I offer to the committee amendment the amendment which I now send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment beginning on page 22, line 11, with the words "by amending", it is proposed to strike out through line 3 on page 24 and insert the following: "by amending subsection (c) by revising the words 'the products of milk and butterfat' in the last sentence of subsection (c) to read 'milk and the products of milk and butterfat'."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and other Senators to the committee amendment.

Will the Senator indicate to the Chair how much time he desires to yield to himself?

Mr. AIKEN. I yield to myself whatever part of 10 minutes I may require.

This amendment, Mr. President, strikes out the support provisions relating to dairy products beginning in line 11 on page 22 and continuing through line 3 on page 24 of the bill.

The bill as it came from the committee fixes a support level for dairy products at 85 percent of parity for a year beginning September 1.

This amendment would strike out the provisions of the committee amendment relating to price support for dairy products, and would substitute a provision authorizing price support under the present law through loans on or purchases of milk as well as the products of milk and butterfat.

Inasmuch as whole milk is a nonstorable commodity, it is likely that most of the milk purchased will be immediately disposed of to eligible recipients under section 416 of the Agricultural Act of 1949.

Also, this amendment contemplates, in view of the practical difficulties involved in handling fluid milk, that the Commodity Credit Corporation may make such provisions as the Secretary deems practicable for local purchases. For example, purchases could be made by county committees, the milk being delivered directly to the eligible recipient, or purchases could be made by means of advances, reimbursements, or otherwise, to the eligible recipients.

"Eligible recipients" would mean school lunch programs, relief welfare programs, institutional programs, and other recipients designated in section 416 of the Agricultural Act of 1949.

This authorization for the Secretary to conduct purchase operations with respect to whole milk through the Commodity Credit Corporation would not, of course, affect his authority to use section 32 funds, within the limitations of that section, to increase the domestic consumption of milk.

The committee bill as reported provides for changing the marketing year for dairy products for a certain period, and provides for price support for dairy products at 85 percent of parity for the next 12 months, until September 1, 1955.

Mr. President, last year dairy products were supported at 90 percent of parity. The Commodity Credit Corporation proved to be one of the biggest purchasers of dairy products in the country. Processors all over the country produced butter, cheese, and powdered milk to sell to the Federal Government to go into Federal refrigerators. At the beginning of the marketing year, April 1 this year, we had more than a billion pounds of dairy products stored away. At that time, under the law the Secretary was required to reduce the support level for

dairy products, which could be supported only through purchase of or loans on the products of milk and butterfat, from 90 to 75 percent of parity. The use of dairy products began to expand almost immediately, whereas during February and March store sales were only 1 percent above the corresponding months of last year.

In April and May, according to the report which I received a couple of days ago, the increased sales amounted to 9 percent over the months of April and May 1953.

In June and July it is reported that store sales were 13 percent above last year.

Production of milk is coming rapidly into line with consumption. In some of the States herds are being reduced through the culling and marketing of cows, which probably should have gone to slaughter before they did, but which the farmers continued to keep and to milk.

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

Mr. AIKEN. I yield.

Mr. McCARTHY. I am not fully aware of what the Senator's amendment would do. We have 82½ percent on staple products. What would the Senator's amendment do to dairy products?

Mr. AIKEN. It would leave the price support for dairy products at a level between 75 and 90 percent of parity which would secure the necessary production.

Mr. McCARTHY. I wonder if the Senator does not agree with me that, if the farmer is paying 82½ percent for the feed which he feeds the cattle, he is entitled to at least 82½ percent for his milk? I know that dairying is not too important in the Senator's State, but it is important to the economy of the country. I will say to the Senator from Minnesota that it is also very important in his State. In my State it is estimated that farmers have lost $9 million annually because of the reduction in the parity formula. I assume that is true also of the Senator's State.

Mr. AIKEN. I did not yield for a speech on my time, Mr. President, so I decline to yield further.

Dairying is about twice as important per capita in the State of Vermont as it is in Wisconsin. There are only 12 States in the Union which produce as much dollar value of dairy products as does the State of Vermont, in spite of the small size of the State.

The dairy industry of this country has started a campaign of culling herds, expanding markets, and bringing production into line with consumption; and remarkable progress is being made in that direction. As of July 15, the Department of Agriculture reports that the per capita consumption of cheese in this country was 4 percent above last year. The per capita consumption of butter was 5 percent above last year. The per capita consumption of fluid milk has also increased. Add that to the increase in the population, and we find that we are using a greatly increased amount of dairy products as compared with the past year.

If we can continue the progress we are making for 3 or 4 months more, the dairy farmer of this country will find himself in a very much better situation than he has been in up to now.

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

Mr. AIKEN. I yield.

Mr. HOLLAND. In the first place, am I correct in my understanding that this amendment would change the substitute reported by the 8-member majority of our committee by reducing the 85 to 90 percent support price to the 75 to 90 percent support price which is in the present law?

Mr. AIKEN. That is correct. Eight members of the committee wrote into the bill a provision for 85 percent supports for dairy products for 1 year. Seven members of the committee, including the Senator from Florida [Mr. HOLLAND], recommended that the law be left as it is, which provides for a level high enough between 75 and 90 percent of parity to secure adequate production.

Mr. HOLLAND. Mr. President, will the Senator yield for another question?

Mr. AIKEN. I yield for a question.

Mr. HOLLAND. Am I correct in my understanding that this proposed amendment would remove from the committee substitute the provision to change the marketing year for milk?

Mr. AIKEN. That is true. I have had letters and telegrams from creameries and milk handlers all over the country stating that a change in the marketing year from April 1 until September 1 would create chaos in the industry.

Mr. HOLLAND. Mr. President, will the Senator yield for another question?

Mr. AIKEN. I yield.

Mr. HOLLAND. Am I correct in my understanding that instead of merely permitting the support of dairy products, such as dried milk, cheese, and butter, which are supported under the present law, the proposed amendment would likewise permit the support of whole milk?

Mr. AIKEN. That is true. The reason for that is that last year, 1953, when there was a heavy surplus of milk, processors all over the country sold their products to the Commodity Credit Corporation at 90 percent of parity, but that process averaged a return to the producers, I believe, of only 84 percent of parity. So far we have found no way of making sure that the full amount of the support gets back to the producer.

We believe that if we give the Department of Agriculture the right to support the price of fluid milk—to purchase it and to turn it over to the school-lunch programs, to eleemosynary institutions, to welfare departments, to needy people, and to other beneficiaries designated by section 416 of the act of 1949—we shall find that the law of supply and demand will come into operation so far as the processing plants are concerned, and the processors will, because of competition, have to pay the farmer the full amount of the support.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. AIKEN. I yield.

Mr. HOLLAND. I recall that the Senator from Vermont in his principal argument the other day made a statement which I think was to the effect that since the reduction in the support price ordered by Secretary Benson, the increase in the sales of butter had been, at the last figure, 4 percent or more. Is that correct, or am I in error in that regard?

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. I yield myself as much more time as I may need to finish the colloquy with the Senator from Florida.

The Department of Agriculture found on July 15 that the per capita consumption of cheese had increased 4 percent, and the per capita consumption of butter had increased 5 percent. It is believed that that percentage is increasing constantly, week by week, and that the American people are today using a great deal more dairy products than they did a year ago.

We know for a fact that in many parts of the country supply is coming into line with demand, price is improving, and promises to improve continually over the next few months.

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

Mr. AIKEN. I yield.

Mr. HOLLAND. Is it the opinion of the Senator from Vermont, coming as he does from a State where dairying is important, that the enactment of the committee substitute bill, as it now stands—that is, at the 85-percent support price—would mean that the reduction in the price of butter during the past few months would be wiped out, and butter would go back to approximately the price level which existed prior to the order of Secretary Benson?

Mr. AIKEN. If that measure were enacted, there is no question that the great promotion program by the dairy interests which is underway at this time would come to an end, that butter would again start to disappear from the consumers' tables, and that the farmer would come to depend more and more and more upon the Federal Government as the only market for his dairy products.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator. I certainly hope the amendment of the Senator from Vermont will be adopted.

Mr. AIKEN. Mr. President, reference was made to the relative value of dairy herds in certain States. The State of Vermont depends upon dairying for 78.9 percent of its farm income. The State of Wisconsin depends upon dairying for 66.8 percent of its farm income.

I do not undertake to belittle the State of Wisconsin, because it is a State much larger than Vermont. However, acre for acre, Vermont has more cows. I noticed the other day that someone in Vermont was boasting that at least we have more people than cows. I think the people exceed the cows by 6,000, according to the latest estimate.

Mr. President, the Department of Agriculture has taken a very strong position against disrupting the dairy

program as it is now, although so far as I know they have no objection to our authorizing the support of dairy products by means of the purchase of fluid milk.

President Eisenhower has expressed himself very vigorously to the effect that the dairy program which is now underway ought not to be disturbed.

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

Mr. AIKEN. I yield.

Mr. WILEY. Can the Senator from Vermont tell me what is the average price paid to the farmers of this State for milk containing 3.5 percent butterfat?

Mr. AIKEN. I cannot tell exactly, because it depends on whether it is sold for fluid milk or whether it is surplus. We sell milk with 3.7 percent butterfat in the Boston market.

Mr. WILEY. How much is obtained for that milk?

Mr. AIKEN. We will get, for August, I believe, about $3.99 a hundred, for 3.7 percent butterfat milk. That would be a little more than $4 for 4.95 percent butterfat milk. It would be about $3.75 for 3.5 percent butterfat milk.

Mr. WILEY. Is the Senator talking about the fluid milk sold in Vermont?

Mr. AIKEN. I am talking about the blended price.

Mr. WILEY. The overall price would then be approximately $5 a hundredweight?

Mr. AIKEN. I think that would be the class 1 price, roughly. It would be something under that, or about $4.77.

I may say to the Senator from Wisconsin that the difference between the class 1 and class 2 milk—manufactured milk and fluid milk used in the household—is greater in New England, and I think throughout the East generally, than it is in the central States. We do not have the processing plants.

Mr. WILEY. It is not true that the majority of the committee recommended, as found on page 24 of the report, that 85 percent of parity be given for milk and butterfat?

Mr. AIKEN. That is absolutely true. Eight members of the committee recommended 85 percent price supports for dairy products.

Mr. WILEY. Is it not also true that the dairy interests of Vermont would not need 85 percent of parity, or even 90 percent of parity? They would not need even 75 percent of parity, would they?

Mr. AIKEN. I think it costs much more to produce milk in New England than it does to produce milk in Wisconsin. We have to buy a higher percentage of feed than the farmers of the Midwest have to buy. We do not have farms which produce milk for manufacturing purposes only.

In fact, if anyone wanted to go into the dairying industry, for the purpose of producing milk for the Boston and New York markets, it would cost him thousands of dollars even to equip the barns.

Mr. WILEY. Let me put it this way: In Vermont dairy farmers do not need 85 percent of parity nor do they need 90 percent of parity to protect the people. They are getting that much.

Mr. AIKEN. That is right. We hope to.

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

Mr. AIKEN. I yield.

Mr. WILEY. I think the committee recognized that fact, as to the eastern markets where fluid milk could be sold. I understand the farmer is getting from 12 to 13 cents a quart for his milk in some places, such as Washington.

In Wisconsin many factors must be considered. We produce approximately 17 billion pounds of milk a year. We can not ship our milk into Washington. We have plenty of milk, and plenty of people want to drink it. I disagree with the statement that the cost of producing milk in Wisconsin is less than it is in Vermont. Our farmers are receiving between 5 and 6 cents a quart. From the standpoint of purchasing power, that is approximately 2½ cents a quart, assuming the dollar to be worth about 50 cents in purchasing power.

Mr. AIKEN. Mr. President, I wonder in whose time the Senator from Wisconsin is speaking.

Mr. WILEY. I should like to have a little time. I did not mean to interrupt.

Mr. AIKEN. I was speaking on my own time.

Mr. HUMPHREY. Mr. President, will the Senator from Vermont yield so that we may request the yeas and nays?

Mr. AIKEN. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, the reason why Wisconsin milk cannot be sold in eastern markets is that transportation costs too much. The thing that amazes me is that some of the Western States do not establish marketing agreements. They could do so if they produced butter and cheese as well as fluid milk. But they do not do it. I think that would be one solution of their problem.

Mr. THYE. Mr. President, will the Senator from Vermont yield for a question? If he does not wish to yield, I am confident that I can find the necessary time to answer his statement.

Mr. AIKEN. I yield.

Mr. THYE. The question I should like to ask the distinguished Senator from Vermont is what good a milk control order would be with reference to a cooperative association where there is no consuming population to speak of? What good would do it do in a little town in Wisconsin or in Minnesota, where there is not a large population? It is all right to speak of marketing control for the eastern area, where there are large metropolitan centers, but what good would such control be in Nebraska, Minnesota, or northern Iowa?

Mr. AIKEN. They have to produce on a different plan for primary markets. One of the difficulties besetting some of the States in the West is that, for example, in Wisconsin there are perhaps 1,500 processing plants, and a great many in Minnesota.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has consumed 20 minutes.

Mr. HUMPHREY. Mr. President, if the senior Senator from Minnesota wishes time, I yield whatever time he may desire.

Mr. THYE. I thank my colleague.

Mr. THYE. I have asked the clerk of the Senate Committee on Agriculture and Forestry to prepare an amendment. That amendment proposes to amend the amendment offered by the Senator from Vermont [Mr. AIKEN]. As soon as it has been prepared I shall offer it.

But, Mr. President, after the vote on the amendment proposing an 82½ percent support price for the basics, which amendment was adopted, this is absolutely a useless effort. I can see that before we start. But I wish every Senator to realize that we are reducing the supports not only on the commodities basic but on dairy products as well. It will not be serious to the man who has the money and the ability to weather a few bad years, so to speak. He can stand it, and he may be the beneficiary in connection with buying out a young chap who has to sell under a forced sale because his creditors cease to carry him any longer. When that young man has sold out, he will be a disillusioned young man, starting down the road looking for a job. Who is he most likely to be? Mr. President, these are economic questions which we should ask one another. Who is that young man most likely to be? He is most likely to be a World War II veteran who came back in 1945 or 1946 or early in 1947, with only one thought in mind, and that was, first, to get married if he was not already married. That is the thought we had in mind when we came out of World War I. Our thought was to settle down and have homes of our own. Mr. President, I have visited such young men. I know their financial situation pretty well.

The youth who returned from World War II bought on the market machinery at inflationary prices, and he bought cows which cost him from $350 to $400 a head. If he sold one of those cows today he would receive approximately 11 cents a pound. Let Senators figure out how much a cow weighing 1,400 pounds and sold for 11 cents a pound would return to the owner in the way of money—$154. That is what a good Holstein would bring. A Jersey cow would not bring that much.

The Senator from Vermont has said that we are selling off dairy cows and culling the herds. If it were not so serious I could almost laugh at his statement.

The young man about whom I was speaking has had to take a drop in the price of his milk. I have before me four bulletins of the Twin Cities Milk Producers, a cooperative organization consisting of farmers, which furnishes about 90 percent of the fluid milk consumed in Minneapolis and St. Paul. There are literally hundreds of members of this organization who are veterans of World War II. The area referred to is a dairying area in Minnesota. One bulletin is dated December 1951. This is a cooperative organization, and every penny it receives is returned to the producers. This group of farmers in December 1951, for grade A milk, received $4.30.

From that point we can consider three other bulletins, the first of which was in May 1954. If I had any others, I would refer to all of them. But these happened to be lying in my desk, and I picked them up as I started to speak on the question.

In May 1954, the price of grade A milk in the Twin Cities Milk Producers Association was $3.32. Subtract $3.32 from $4.30, in the period from 1951 to 1954, and it will be seen that the same group of producers in the Twin Cities market lost 98 cents a hundred pounds on their milk. Bear that in mind.

From May we go to June 1954. The price dropped from $3.32 to $3.20. If we examine the statement for the month of July it will be seen that the price for July was the same as the price for June.

I call attention to the fact that the price dropped 98 cents—almost a dollar—between 1951 and May 1954. It has dropped about 60 cents a hundredweight since the early part of this year, when the new price order went into effect on February 15, 6 weeks in advance of the time it actually was ordered to be effective, which was April 1. That gave the processors, the retailers, the wholesalers, and the packers 6 weeks in order to knock down the farmer's price, and to enjoy the windfall which they did enjoy.

The St. Paul Pioneer Press for last Saturday, August 7, stated that milk prices jumped 1 cent. The article reads:

> Retail price of milk will go up a cent a quart in St. Paul within a week, it was indicated Friday night.
>
> The rise will follow a similar increase made by Minneapolis distributors about a month ago. This followed a boost of about nine-tenths of a cent a quart ordered in the price paid to farmers by dairies.
>
> There has been another raise—this one only 1.7 cents a hundredweight—in the price to farmers in August.

Imagine that, Mr. President. We are now considering fractions. There has been an increase of 1.7 cents a hundredweight in the price to the farmers in the month of August.

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

Mr. THYE. I shall be delighted to yield in a moment.

Mr. President, I might laugh if this were not so serious a situation; if I did not know how it was affecting the youth who bore the brunt of the battles in World War II, and then returned to start life anew, but whom the Government is now helping to liquidate.

I yield to the Senator from North Dakota.

Mr. YOUNG. I wonder if the Senator from Minnesota realizes that the Under Secretary of Agriculture last year encouraged farmers to go more and more into dairying. Let me read a part of the Under Secretary's speech at the National Feed Dealers Convention at Galveston, Tex., last September. It was a great speech.

> Dairying again looks more attractive as compared with beef cattle. More farmers will apparently be seeking the stability and security of income which milk cows produce under good management. New farmers and those who have not established a financial position should be encouraged to consider dairying. It is an enterprise especially adapted to family-operated farms.

Does the Senator from Minnesota think that it was good advice to the young men of America to tell them, a year ago, to go into the dairying business; and then, a few months later, to cut the props out from under them?

Mr. THYE. There have been so many advices given in the past year, which could be held up or referred to with an equal amount of questioning, such as the one to which the Senator from North Dakota has just referred.

I simply say, in all sincerity—and no one has given the situation any more thought, I believe, than I have—that there is only one way in which the surplus can be solved, unless it is desired to destroy the person with limited capital, and that way is to cut down on the acreage which is planted; to make certain, when an acre of wheat, cotton, or corn is laid out, that the acre shall not be diverted into a competitive crop, which may be grown in some area of the Nation which would be competitive with another. For instance, corn grown in the delta of Mississippi would become competitive with corn grown in Illinois, Iowa, or Indiana. Corn can be grown in Mississippi, unless the acreage is controlled and diversion is denied.

The same would be true if barley and cats were permitted to be grown in the northern region, for then it would become a competitive feed with corn and with low-grade wheat.

The fact is that if the Department had come forward with a realistic, positive, administratively sound farm program, relative to diverted acres, there would be no need for surpluses; but such a program has been delayed and delayed, and now the Department comes forward on the pretense that it is necessary to reduce by the economic squeeze on the farmer. If the price is reduced low enough, the farmer will go out of business. In theory, the program sounds good. But in reality, a price war could be started, and if one was in the coal business or the lumber business, unless he had sufficient capital, he could not survive. The result would be to starve out the man vith limited capital, and that could be done in farming, too. Then the man with plenty of capital would be the beneficiary of a "fire sale," by being able to buy out a business at a sacrifice sale value.

What is being proposed to be done is to put the price so low that farmers will be forced out of the business of producing milk. This means that only the man with modern barns and a hundred head of cattle, with the kind of milking parlor which requires only 1 man to milk hundreds of head of cattle, can survive; but that the man on a family-sized farm, milking 25 or 30 cows by manual labor, will not be able to milk his cows at that price, so he will have to go out of business at a "fire sale," so to speak, or a foreclosure sale.

Mr. President, do we want to have a group of broke young World War II and Korean war veterans? These young farmers are operating still on the Korean war inflation with respect to everything they must buy or have bought. What did we do for the feed dealers; we gave 3½ cent a pound powdered milk, which cost the Government 16 cents a pound, for their mix feed. If ever there was a windfall, that was it.

I will defy anyone to examine the statistics, to see whether any reduction came in the high protein feeds, after that "fire sale" was made.

We are getting down to facts which are not pleasant, but they will appear in the RECORD.

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

Mr. THYE. I yield.

Mr. YOUNG. I think the facts which the Senator from Minnesota are bringing out now will also be brought out more vividly after the farmers have had a chance to vote in the next election.

I wish to joint with him as a sponsor of the amendment he is offering as a substitute for the dairy provision in the House bill, which has been presented by the distinguished Senator from Vermont [Mr. AIKEN]. The net effect would be this: The Senate bill provides for an 85 percent dairy support. The amendment offered by the Senator from Vermont provides, as I understand, for from 75 to 90 percent—a reduction from 85 to 75. The House bill provides for an 80-percent support.

I have no doubt that the action taken a while ago by the Senate, in setting support levels for basic farm commodities at 82 percent of parity, means that dairy price supports should be at 82½ percent of parity, or 80 percent as approved by the House.

I wish to join with the Senator as a cosponsor of his amendment.

Mr. THYE. I am delighted to have the distinguished Senator from North Dakota join with me as a cosponsor in the offering of the amendment which I am offering.

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

Mr. THYE. I yield.

Mr. HUMPHREY. May I ask the distinguished senior Senator from Minnesota if in his amendment the low figure remains at 80 percent, or is it at 82½ percent?

Mr. THYE. The amendment I am proposing is the same amendment as is to be found in the House bill, where the support is set at 80 percent of parity, beginning September 1, 1954. So it is not 82½ percent, but 80 percent. It is identical with the House provision. Therefore, there would be supports of 82½ percent on the basic commodities, the same as were provided by the House; 80-percent supports on dairy products, the same as were provided in the House; and the provisions of the House bill would be embodied in the dairy amendment.

Mr. HUMPHREY. In other words, in the House bill provisions for disposal, the words "other operations" occur.

Mr. THYE. That is correct. In fact, I have taken two pages from the House bill and inserted them as the amendment, and the amendment will read:

"In lieu of the matter proposed to be inserted, insert the following"; and then the amendment sets forth the language

on those pages of the House bill, which will become part of the amendment.

Mr. HUMPHREY. Will the senior Senator from Minnesota yield, so that we may clarify the record?

Mr. THYE. I yield to my colleague.

Mr. HUMPHREY. Does the Senator intend to offer his amendment following the vote upon the Aiken amendment to the committee bill?

Mr. THYE. My amendment will be to the amendment of the Senator from Vermont [Mr. AIKEN]. I am proposing to amend the Aiken amendment, which strikes everything out of the bill reported by the Senate Committee on Agriculture and Forestry, which, of course, provided for supports for dairy products at 85 percent of parity. The Aiken amendment strikes that completely out of the bill, and provides for supports of from 75 to 90 percent of parity, leaving it to the discretion of the Secretary of Agriculture as to the support to be applied. I propose to amend the Aiken amendment by inserting the House language, which provides that the supports shall be fixed at not less than 80 percent.

Mr. HUMPHREY. I should like very much to associate myself with my senior colleague in this matter. We were in agreement on the amendment in the committee. However, I hope we can preserve the committee amendment, because that is a much more equitable proposal. If the senior Senator from Minnesota will permit me, I should like to join with him in trying to substitute his proposal for the Aiken proposal, because that of the senior Senator from Minnesota is a much more desirable one.

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

Mr. THYE. I yield to the Senator from North Dakota.

Mr. YOUNG. I would much prefer to vote on supports of 85 percent as against 75 percent, but I understand, under the parliamentary rules, that if the Aiken amendment, which provides for 75 percent should prevail the amendment proposing 80 percent would not be in order.

Mr. HUMPHREY. Mr. President, may we clarify the situation for the RECORD?

Mr. THYE. I should like to have the Presiding Officer give us an explanation of the parliamentary situation.

Mr. YOUNG. Mr. President, the question I raised was that the Aiken amendment to the committee bill provides for supports of from 75 to 90 percent of parity. The committee bill provides for 85 percent of parity for dairy products. The Aiken amendment would reduce those supports to 75 to 90 percent of parity. My question is, Should the Aiken amendment prevail, would an amendment providing for 80 percent supports be in order?

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont [Mr. AIKEN] proposes to strike out all the language on page 22 after the words "by amending" on line 11, all of page 23, and the first 3 lines on page 24. If that amendment were agreed to, there would be nothing left to amend.

Mr. YOUNG. That is the reason why I am joining with the Senator from Minnesota. If the Aiken amendment should prevail there would be no way to offer an amendment to it.

The PRESIDING OFFICER. The Aiken amendment is to strike out what the Chair has just indicated so there would be nothing left to amend.

Mr. THYE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THYE. If my amendment, which proposes an amendment to the Aiken amendment, should prevail, would that reestablish within the committee bill the language of the House bill which I am proposing to substitute?

The PRESIDING OFFICER. It would depend entirely on what is involved in the amendment of the Senator from Minnesota.

Mr. THYE. I should like to read from the House report, which will explain precisely what my amendment proposes to do. I can offer it as a substitute for the amendment offered by the Senator from Vermont, or as a separate amendment. All I am proposing to do is put the House language in the committee bill.

The PRESIDING OFFICER. If the Senator from Minnesota will send his amendment to the desk, the Chair will rule on it.

Mr. THYE. Mr. President, I read from the House report what I propose to do:

> The amendment establishes the level of price support for milk and its products at 80 percent of parity for the balance of this marketing year, beginning September 1, 1954, and ending March 31, 1956. Thereafter the level of price support will be set by the Secretary between 75 and 90 percent of parity on the basis of the certain considerations. In lowering the support price of milk to 75 percent of parity on April 1 of this year, the Secretary said that he was forced to set the price at this low level because of the terms of the existing law which provide that the only factor to be taken into consideration in determining the price-support level is that of setting the price support at a level which will "assure an adequate supply." While the Secretary indicated that he had great sympathy for milk producers in having to take a cut of 15 percent in their price-support level, he had no other alternative under the terms of existing law. It is reasonable to assume that the Secretary might not have reduced dairy supports to the lowest possible level, 75 percent of parity, had he had any other alternative under the provisions of the law. Since those provisions are being changed in this amendment and may possibly permit the Secretary to establish a support level somewhere above the minimum for the next marketing year, it is consistent with this action, with the expressed views of the Secretary, and with the principle of "gradualism" which the President has repeatedly urged be applied to price-support actions, that the price-support level for the balance of this marketing year be established at 80 percent of parity.

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

Mr. THYE. I yield to the majority leader.

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

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Against whose time is the present discussion being charged? I ask that question since we are operating under controlled time.

Mr. HUMPHREY. I yielded time to the senior Senator from Minnesota.

Mr. KNOWLAND. Mr. President, how much time is left?

The PRESIDING OFFICER. There are 38 minutes remaining to the opposition, and 36 minutes remaining to the proponents.

Mr. THYE. Mr. President, the parliamentary inquiry of the majority leader should not be charged to me.

Mr. KNOWLAND. I am sure the Senator from Vermont will permit it to be deducted from his time.

Mr. THYE. I continue reading:

> At the same time, new authority is included in this amendment for handling surplus dairy products in such a manner that the increase from 75 to 80 percent of parity support level on September 1 need not be reflected in any increase in the cost of dairy products to consumers. The amendment includes these words:
>
> "Such price supports shall be provided through loans on, or purchases of, or for the period ending March 31, 1956, other operations in connection with milk and the products of milk and butterfat."
>
> The words "other operations" will authorize the use of a sell-back or payment plan to plants producing butter and other dairy products to make up the difference between the support level on those products and the market price at which they can be sold. This authority is limited to the period ending March 31, 1956. If this authority is used by the Secretary in the manner which has been outlined to the committee by officials of the Department of Agriculture, the increase in the support level from 75 to 80 percent of parity on September 1 will not result in any increase in the cost of butter and other dairy products to consumers.
>
> The amendment also provides for the next 2 years an entirely new and extremely beneficial method of supporting dairy prices by providing for increased fluid milk consumption by children in nonprofit schools of high-school grade and under. At the present time, the CCC is not authorized to purchase milk and sell it to schools or donate it for school-lunch programs and similar uses. This will authorize CCC to use not to exceed $50 million of its funds for such disposal activities during each of the next 2 years.

Mr. President, my amendment to the Aiken amendment is taken from the House bill, and the explanation I have given of my amendment is taken from the report of the House committee. In short, my amendment to the Aiken amendment is identical with the language of the House bill.

Therefore, Mr. President, I urge that my amendment to the Aiken amendment be adopted.

Before closing, I wish to call attention to the fact that the reduction imposed during the past spring, from February 15, first to April 1, was from 90 percent to 75 percent. It was stated that that reduction would result in a decrease in the price of butter. It did substantially decrease the price of butter, although not in the amount which had been predicted. On the other hand, in the case of cheese, it lowered the price of cheese only one-half of what the reduction which was made in the support price on milk should have caused; and it did not lower the price of condensed milk or

the price of powdered milk. Neither did it lower the price of fluid milk. In fact, in some cases, the price of fluid milk rose, as I have shown by reading various newspaper reports.

In conclusion, Mr. President, I wish to say that if all the proposed reductions in the support price are placed into effect, they will absolutely destroy the opportunity of young farmers with limited capital to continue in business, without the hazards of possible foreclosures or possible forced sales.

Mr. President, the Nation's economy cannot withstand the suffering that a lowering of the supports would entail, because today the Nation's agriculture economy is already down to a dangerously low point, and is in a situation somewhat similar to that which existed in the early 1930's when the great depression began.

Mr. LANGER. Mr. President, will the Senator from Minnesota yield to me?

Mr. THYE. I yield, but I desire to point out that I am speaking in limited time.

Mr. LANGER. I understand that, and I merely wish to ask a question.

In view of the fact that both the Senators from Minnesota are now on the floor, and that both of them were at Kasson, Minn., when Dwight Eisenhower made his speech there, during the 1952 campaign, I wish to ask whether the House committee report is in accordance with the promises Dwight Eisenhower made at Kasson, Minn.

Mr. THYE. Mr. President, that matter has been discussed a great many times, and I wish to avoid engaging in such a discussion. I simply do not wish to comment on that point, for I have tried to state the facts relative to prices and the effect on the Nation's economy.

Mr. LANGER. I would not wish to embarrass the distinguished Senator from Minnesota. But, being a Republican, I wish to live up to the promises made by Dwight Eisenhower at Kasson, Minn. That is why I rose to inquire whether the plan now proposed is the Eisenhower plan or the Brannan plan.

Mr. THYE. Mr. President, I wish to say that the lowering of supports will not in any manner benefit the consumers in the great eastern city markets, where the price of milk is regulated by milk-control boards. In those areas, the price of milk is insured, by Federal order; and nothing we may do here will affect those milk prices or will permit a milk producer outside the milk-producing areas of Washington, Baltimore, New York, or Boston, even to bring a can of milk into those areas, because competitively such producers are shut out.

Mr. President, in connection with my amendment to the Aiken amendment, I have received requests from various Senators to have their names included as cosponsors. In that connection I mention the junior Senator from North Dakota [Mr. YOUNG], my colleague from Minnesota [Mr. HUMPHREY], and the distinguished junior Senator from New York [Mr. LEHMAN]—all of whom wish to join in sponsoring this dairy amendment.

Mr. LANGER. Mr. President, I should also like to be included as a cosponsor.

Mr. THYE. Mr. President, the senior Senator from North Dakota [Mr. LANGER] now has requested that he, too, be permitted to join as a cosponsor of the amendment.

Mr. ELLENDER. Mr. President, will the Senator from Minnesota yield to me?

Mr. THYE. I yield.

Mr. ELLENDER. As I understand the proposal of the Senator from Minnesota, it does not provide for direct subsidies to producers; but the matter would be handled as now provided by law—in other words, through loans on milk and milk products.

Mr. THYE. According to the interpretation of the amendment, the school-lunch programs, the recipients of aid under the welfare program, and similar groups or persons could be assisted by a reduced price, in which case, of course, the Federal Government would have to pay the difference. But as regards actual subsidies to producers under the milk program, there would not be such subsidies, and that is not my intention. I am sure the language does not direct the administrator to pay a subsidy to the producer.

The only difference will be in the case of the school-lunch programs, the recipients of aid under welfare programs, and the like. They will receive the benefit of the amendment; and there is to be set aside, in connection with the program, a fund of $50 million, for such disposal activities during each of the next 2 years. That is my understanding of the provision as contained in the House bill, and I have merely lifted out that provision and placed it in this amendment. So the House committee report likewise reports on my amendment, and does so in the manner in which I have endeavored to describe my amendment.

Standing near me are the two legal experts on the staff of the Senate Committee on Agriculture and Forestry, and they have given me the advice both as to the effect of my amendment and as to what is to be found in the report of the House committee.

Mr. HUMPHREY. Mr. President, will my colleague yield to me?

Mr. THYE. I yield to my colleague.

Mr. HUMPHREY. While it is true that the language of the House bill does not spell out production payments or payments to processors, the words "other operations," as I understand them, are permissive, in that they would permit the Secretary of Agriculture to do what may be necessary for the appropriate disposal or proper utilization of surplus dairy products. Is that an adequate and proper interpretation of the words "other operations"?

Mr. THYE. On page 22 of the House bill, in line 13, we find the words "other operations in connection with milk and the products of milk and butterfat, except,".

Those words do not spell out such an effect; but when we examine the report of the House Committee on Agriculture, we find that it says:

> The words "other operations" will authorize the use of a "sell-back" or payment plan to plants producing butter and other dairy products to make up the difference between the support level on those products and the market price at which they can be sold.

That is stated in the report of the House Committee on Agriculture, and it shows the intent of the bill as passed by the House.

I have lifted the language from the House bill, and have placed it in my amendment. If my amendment is adopted and becomes a part of the bill, the House bill and the Senate bill will be identical in this respect.

Mr. ELLENDER. Then, as I understand the language of the amendment, it would be permissive to the Secretary of Agriculture to make direct subsidy payments to the producers of milk, if he saw fit to do so.

Mr. THYE. That is exactly as set forth in the report of the House committee, and I have lifted the language of the amendment from the House bill, and have embodied it in the amendment I have sent to the desk.

Mr. President, I now yield the floor, because I do not wish to take up all the time that is available at this time.

Mr. HUMPHREY. Mr. President, how much time remains to this side?

The PRESIDING OFFICER. Twenty-six minutes.

Mr. HUMPHREY. Mr. President——

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield to the Senator from New York 6 minutes, or if he needs more, I shall yield more time to him.

Mr. LEHMAN. Mr. President, I rise to oppose the amendment of the distinguished Senator from Vermont to the committee amendment. I have always felt, as I have heretofore pointed out, that we must consider agriculture as a whole; that we cannot put one segment of agriculture in a compartment quite separate and distinct from the other segments which make up the agricultural economy.

I have also pointed out at great length, in the remarks I have previously made, that there is a close relationship between the interests of the consumer and the interests of the farmer; that, after all, the consumer can not possibly prosper if the farmer is not prosperous.

After all, New York State—and every other State, as a matter of fact—produces a great quantity and variety of goods—clothing, hats, shoes, farm implements, equipment, automobiles, and various other things. The purchasing power of the farmer is a very great factor in encouraging and providing employment to millions of people.

As the bill now stands, after the adoption of the Aiken amendment an hour ago, it provides for a flexible support price of from 82½ percent to 90 percent of parity. If the pending amendment is adopted, we know that the support price for dairy products will be only 75 percent. We know that because that is the figure at which it stands now. That is the figure which was put into effect by the Secretary of Agriculture on April 1 over the protests of the dairy industry. That is the figure which is causing

untold suffering and loss to the dairy industry not only of New York, but of the entire country.

The claim has been made that the lower price support we are now discussing, and which the distinguished chairman of the Agriculture Committee wishes to put into effect, will help the consumer. That claim, of course, has been proved to be almost completely erroneous. The decline in the support price for dairy products from 90 percent to 75 percent did not result in any substantial gain to the consumer. The price of butter dropped a very few cents; milk did not drop by a cent. The people of New York City and the people of other sections of the country are paying identically the same price for milk that they paid 6 months ago.

That is true also with respect to the price of bread. The price of bread has not dropped a bit, even though wheat has declined in cost.

The income of the dairy farmer has dropped nearly 20 percent since this unjustified cut in the support prices by the Secretary of Agriculture was put into effect on April 1. While the dairy farmer's income has dropped 20 percent, the housewives have not profited in any substantial way.

Mr. President, whatever profits may have come because of this unjustified cut by the Secretary of Agriculture have accrued to the processors or distributors.

I wish to point out again, as I did last Friday when I spoke at length, that the report of the National Dairy Products Co., the largest processor and distributor of dairy products in the world, very definitely, clearly, and incontrovertibly shows that what I have just said is a fact. In the face of a 20-percent loss of income by the dairy farmers, the National Dairy Products Co. has increased its earnings by a full 20 percent in the past 6 months.

The PRESIDING OFFICER (Mrs. SMITH of Maine in the chair). The time of the Senator from New York has expired.

Mr. LEHMAN. Madam President, will the Senator give me 1 more minute?

Mr. HUMPHREY. I yield 2 more minutes.

Mr. LEHMAN. In the face of a decline of 20 percent in the income of the dairy farmers, the profits of the National Dairy Products Co. have increased the same amount, 20 percent. Their profit has gone up from $15,500,000 in 1953 to $18,500,000 in 1954. Virtually all other great processing companies show exactly the same record.

As I said on the floor of the Senate last week, the present administration is trying to bring about elimination of small family-sized farms. I believe the administration desires to get rid of the marginal farms and to build up and give a monopoly to the large farm. That is the policy of the administration, not only in agriculture, but I believe it is shown very clearly to have been the policy and the aim of the administration in many other economic activities that are carried on in this country.

We cannot afford to lose the small family farm. We cannot afford to lose the marginal farms. They are, in my opinion, the very backbone of the national economy, and the country will lose and suffer a great setback if we permit the elimination of the small family farm.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment submitted by the Senator from Minnesota [Mr. THYE], on behalf of himself and other Senators, to the amendment of the Senator from Vermont to the committee amendment on pages 22 to 24.

Mr. HUMPHREY. Madam President, does the Senator from Vermont wish to use some of his time now?

Mr. AIKEN. Has the Senator finished with his time? Does he wish to yield the remainder of his time?

Mr. HUMPHREY. Madam President, how much time have we left?

The PRESIDING OFFICER. The Senator from Minnesota has 18 minutes; the Senator from Vermont has 36 minutes.

Mr. AIKEN. I yield 5 minutes to the Senator from Delaware.

Mr. WILLIAMS. Madam President, I rise in opposition to the amendment of the Senator from Minnesota [Mr. THYE]. I do not think there is any better argument to use in support of the proposal to reduce the support price on these products than to quote some of the figures showing that which has happened under the existing program.

According to the report of May 31, 1954, we had on hand 644 million pounds of dried milk at a cost of $106,250,000; we had 385 million pounds of butter at a cost of $257,700,000; we had 392 million pounds of cheese at a cost of $158 million. Altogether we have around $520 million as of May 31, 1954, of the taxpayers' money invested in dairy products.

Reducing this to terms of 50-ton cars, it is interesting to note that this would furnish more than 14,000, 50-ton carloads of dairy products, or enough to make a train about 120 miles long—or approximately the distance from Washington to Philadelphia. That would make a solid trainload of dairy products on hand as of May 31 long enough to reach from Washington to Philadelphia.

In this same report the Commodity Credit Corporation pointed out that we had lost during the first 11 months of fiscal 1954, $661,584,126 in supporting these agricultural products. That represents $60 million a month. That is $2 million a day, $83,000 an hour, or $1,400 a minute. While the Congress is debating this bill we are losing $1,400 for every minute this debate continues, in support of agricultural products at the present support level.

I have reduced these inventories down to terms of carloads and find that we have on hand stored in Government warehouses agricultural products the equivalent of over 1 million 50-ton carloads all stored at the expense of the American taxpayer.

That is enough to make a solid train 8,400 miles long, or enough to make two trains, one reaching from Seattle, Wash., to Miami, Fla., and the other one from Los Angeles to Portland, Maine.

As of May 31, 1954, we had $6,109,000,000 invested in these products. Based upon the percentage of the revenue of our Government which comes from each of the 48 States, I have broken this $6 billion figure down to show how much each of the 48 States had invested in agricultural products as of May 31, 1954. I ask unanimous consent that the chart showing this breakdown be printed in the RECORD at this point as a part of my remarks.

Mr. LANGER. Madam President, reserving the right to object, may we have a little further explanation about the chart?

Mr. WILLIAMS. The chart shows how the $6,109,000,000, which the taxpayers of this country have invested in agricultural products as of May 31, 1954, broken down by States, and based upon figures supplied by the Treasury Department showing the percentage of our income coming from each State.

Mr. LANGER. Does it show the figures for all the States?

Mr. WILLIAMS. That is correct; it does.

Mr. LANGER. I have no objection.

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

Breakdown by States of inventory of agricultural commodities as of May 31, 1954

Alabama	$36, 600, 000
Arizona	12, 200, 000
Arkansas	18, 300, 000
California	427, 000, 000
Colorado	42, 700, 000
Connecticut	122, 000, 000
Delaware	61, 000, 000
Florida	54, 900, 000
Georgia	61, 000, 000
Idaho	122, 000, 000
Illinois	549, 000, 000
Indiana	122, 000, 000
Iowa	54, 900, 000
Kansas	48, 800, 000
Kentucky	122, 000, 000
Lousiana	48, 800, 000
Maine	18, 300, 000
Maryland	183, 000, 000
Massachusetts	183, 000, 000
Michigan	488, 000, 000
Minnesota	61, 000, 000
Mississippi	12, 200, 000
Missouri	183, 000, 000
Montana	12, 200, 000
Nebraska	54, 900, 000
New Hampshire	12, 200, 000
New Jersey	183, 000, 000
New Mexico	12, 200, 000
New York	1, 098, 000, 000
North Carolina	183, 000, 000
North Dakota	6, 100, 000
Ohio	427, 000, 000
Oklahoma	61, 000, 000
Oregon	42, 700, 000
Pennsylvania	428, 000, 000
Rhode Island	30, 500, 000
South Carolina	24, 400, 000
South Dakota	61, 000, 000
Tennessee	42, 700, 000
Texas	244, 000, 000
Utah	12, 200, 000
Vermont	6, 100, 000
Virginia	122, 000, 000
Washington	61, 000, 000
West Virginia	30, 500, 000
Wisconsin	122, 000, 000
Wyoming	6, 100, 000
Total as of May 31, 1954	6, 109, 295, 000

Mr. WILLIAMS. According to this chart the largest State, on a per capita basis, is the State of New York. The people of the State of New York on May 31, 1954 had $1,098,000,000 invested in agricultural products. On that same date the State of Delaware had $61 million invested as our part of the cost of this program.

Our country cannot afford a continuation of any such expensive program, and unless the Congress recognizes that fact the entire agricultural program will break down under its own weight.

It is unfair to the many farmers who derive no benefits from these support programs.

I also ask unanimous consent to have incorporated in the RECORD at this point a breakdown of the more than 1 million carloads of agricultural products which were in Government warehouses as of May 31, 1954.

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

Commodity	Unit of measure	Amount	Carloads	Cost	Commodity	Unit of measure	Amount	Carloads	Cost
Cottonseed meal [1]	Pounds	171,651,106	1,716	$5,314,617.56	Milk, dried [1]	Pounds	644,459,916	6,444	$106,250,252.31
Do [2]	do	50,557,982	505	1,534,744.23	Butter [1]	do	385,363,991	3,853	257,700,612.56
Wheat [1]	Bushels	672,978,331	448,652	1,715,282,303.86	Cheese [1]	do	392,276,022	3,922	157,911,816.13
Do [3]	do	205,641,606	137,094	452,724,603.38	Linseed oil [1]	do	342,893,851	3,428	66,517,183.06
Do [2]	do	777,696	518	1,745,980.97	Seeds, winter cover crop. [1]	do	39,051,523	390	4,884,938.39
Oats [1]	do	6,579,744	2,193	5,652,633.78	Do. [3]	do	3,841,625	38	526,864.05
Do [3]	do	30,197,642	10,065	23,314,729.38	Seeds, hay and pasture [1]	do	77,354,270	773	37,378,361.86
Do [2]	do	1,352,154	450	1,054,368.31	Soybean oil [1]	do	14,432,770	144	1,937,143.94
Corn [1]	do	410,154,072	205,077	670,289,697.44	Tung oil [1]	do	5,770,105	57	1,566,849.36
Do [3]	do	393,463,175	196,731	621,083,006.38	Do. [3]	do	22,328,510	223	5,336,497.31
Do [2]	do	6,920,832	3,460	9,934,644.99	Peanuts [3]	do	133,479,656	1,334	14,785,730.53
Edible beans [1]	Hundredweight	1,681,044	1,681	15,877,480.39	Do [1]	do	22,807,933	228	2,751,101.91
Do [3]	do	369,244	369	2,918,980.47	Honey [3]	Pounds	687,649	6	75,904.67
Barley [1]	Bushels	9,812,983	4,906	12,866,053.64	Beef and gravy [1]	do	1,483,165	14	718,262.01
Do [3]	do	18,393,257	9,196	21,592,628.29	Fruit, dried [1]	do	488,592	4	81,211.40
Grain sorghum [1]	Hundredweight	19,901,434	19,900	54,020,603.91	Tobacco (all kinds) [3]	do	606,207,666	6,062	264,034,587.85
Do [3]	do	2,150,824	2,150	5,184,193.89	Tobacco [1]	do	4,183,707	41	1,189,769.73
Rye [1]	Bushels	1,615,895	807	2,374,406.26	Rosin [3]	do	35,438,900	354	2,664,227.74
Do [3]	do	2,934,616	1,467	4,036,544.18	Do. [1]	do	311,594,183	3,115	23,442,958.88
Rice [3]	Hundredweight	1,070,204	1,070	5,263,373.32	Turpentine	Gallons	2,178,259	16	1,172,646.12
Cottonseed oil, refined [1]	Pounds	951,215,056	9,512	169,814,314.61	Kenaf fiber [1]	Pounds	656,622	6	193,852.68
Castor beans [1]	do	3,234,982	32	421,842.65	Kenaf seed [1]	do	1,517,700	15	980,501.39
Cotton linters [1]	do	631,821,419	6,318	60,182,056.35					
Wool [1]	do	122,617,593	1,226	85,784,612.82					
Do. [3]	do	12,857,044	128	5,860,872.30	Total			[4] 1,095,690	

[1] Commodity inventories and commodities under contract to purchase as of May 31, 1954.
[2] Emergency feed program.
[3] Loans outstanding as of May 31, 1954.
[4] 130 cars to a mile—this figure represents 8,428 miles.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. HUMPHREY. Madam President, I yield 1 minute to the Senator from North Dakota.

Mr. LANGER. Madam President, speaking in answer to the distinguished Senator from Delaware, who spoke about how much each State is assessed under the agricultural program, let me say that earlier today I placed in the RECORD figures which show that for every dollar paid for agricultural products, the subsidy paid to businessmen was 2½ times as much. So if the taxpayers of the State of New York have invested $1,098,000,000 in agricultural products, it has cost them about $2,100,000,000 in subsidies for businessmen. That is true of every one of the figures shown on the statement. If we are to give business and industry 2½ times what we give the farmers, I think it is about time for the farmers to get a break.

Mr. HUMPHREY. Madam President, I yield myself 5 minutes.

The senior Senator from Minnesota has presented an amendment to the Aiken amendment, which would amend the Aiken amendment in several respects.

First of all, the Aiken amendment would affect that portion of the pending bill which is found on pages 22 and 23 and on the first part of page 24, down through lines 3 on that page.

The Aiken amendment would strike out the provision for 85 percent of parity as a minimum figure, and would substitute in lieu thereof 75 percent of parity. In other words, the Aiken amendment would return us to what we have now. The present law provides the Secretary of Agriculture with authority to adjust price supports on dairy products from 75 percent to 90 percent of parity.

The senior Senator from Minnesota and those of us who have joined in sponsoring the amendment would substitute the language of the House bill, which would provide a minimum price support for dairy products of 80 percent. In that way there would be a flexibility of from 80 percent to 90 percent, instead of from 75 percent to 90 percent.

There are other important provisions also. I believe the best way to describe the provisions of the Thye amendment is by reading from the House committee report. Because a reading of that language would obviate any misunderstanding whatever as to what we are voting on, I shall read the pertinent language from the House report. It is found on page 2 of the House report, to accompany H. R. 9680, 83d Congress, 2d session, Report No. 1927, dealing with subsection (b) on page 2. It is entitled "Dairy Products," and reads as follows:

> Increase in the support level from the present 75 percent of parity to 80 percent, beginning September 1, 1954, for the balance of this marketing year, with a new set of factors for the Secretary of Agriculture to use in determining the support level for the marketing year beginning April 1, 1955. Authority for the Secretary to use other operations as well as loans and purchases until April 1, 1956, was added to give the Secretary the widest possible leeway for dealing with existing dairy product surpluses.
>
> With this authority he may use—

I call this particularly to the attention of Senators—

> he may use direct payments to plants or producers as a means of price support if he desires. Increased domestic utilization of dairy products is provided by donation of surpluses to the military services and authorization for increased utilization of milk in schools.

Mr. President, that language makes it quite clear that one of the prime objectives of the amendment offered by the senior Senator from Minnesota, of which I am a cosponsor, is to provide a sensible means of disposal of the surpluses of dairy products which we now have in storage. It provides the widest leeway, as the committee report shows, to the Secretary of Agriculture. It not only authorizes what is traditional, namely, loans and purchases through the Commodity Credit Corporation facilities, but it also authorizes "other operations." These "other operations" appear in the basic 1949 act in other sections, as I have been told by the staff. I believe I am correct in that statement.

However, those words mean something different in the basic act of 1949 than they do here. I want my interpretation of the words "other operations" to refer expressly, exclusively, and unqualifiedly to this section, which relates to dairy price supports, so that there will be no doubt as to the legislative history. In other words, if there is a reference to "other operations" in any part of the basic Agricultural Adjustment Act, what I have said here in terms of the dairy price support language, including other operations, has no reference to other portions of the basic act. We are being explicit with reference to the dairy price support program.

A great hue and cry has been heard in this Chamber and throughout the Nation about the so-called tremendous surpluses of dairy products. It seems to me to be rather strange, if it is such a burdensome problem, that the Department of Agriculture has been so hesitant about making recommendations as to what ought to be done about the problem. There have been suggestions of food stamps, for example, to utilize the

surpluses. Bills have been introduced, such as the one introduced by the Senator from Oklahoma [Mr. KERR], to supplement the income of social-security recipients.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Madam President, I yield myself an additional 5 minutes.

The junior Senator from Minnesota has presented what he considers to be a fair, practical, and comprehensive plan in connection with his dairy diet dividends to utilize a type of food certificate in connection with social security, specifically for surplus dairy products.

Let the record be clear. No one is recommending that the Government continue forever and ever to buy up products and to put them in storage facilities, and then give them away. That is not what is being considered. What the Senator from Minnesota is speaking about is that we now have a situation in which temporarily, for the first time in 25 years, we have a real surplus of dairy products. I desire to have that perfectly clear. This is the first time in a quarter of a century that we have had what is called a problem of surplus in this area. Therefore, we ought not do anything in terms of basic legislation which would fundamentally change the pattern of dairying in this country. What we ought to do is to legislate on the basis of the long period of history, example, and experience; we should attempt to provide a means and a method of disposing of what is a current and temporary and most unusual surplus.

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

Mr. HUMPHREY. I yield.

Mr. EASTLAND. Does the Senator realize that the Committee on Agriculture and Forestry reported an 85-percent support price for dairy products?

Mr. HUMPHREY. That is correct.

Mr. EASTLAND. What is the provision for production payments or subsidies under the amendment offered by the distinguished Senator from Minnesota?

Mr. HUMPHREY. The Senate committee bill is quite clear.

Mr. EASTLAND. What is that provision?

Mr. HUMPHREY. The Senate bill provides for payments to producers or processors of milk and butterfat, and for products of milk and butterfat. Such support price shall be provided through loans on, and purchases of, milk and butterfat; and, for the period ending August 31, 1956, payments to the producers or processors of milk, butterfat, and products of milk and butterfat.

Mr. EASTLAND. That is a subsidy payment?

Mr. HUMPHREY. That is the so-called production payment included as one of the alternative means the Secretary of Agriculture could use.

Mr. EASTLAND. I understand; but it is a subsidy payment?

Mr. HUMPHREY. That is correct.

Mr. EASTLAND. What is the difference between the amendment the Senator has proposed and the House provision?

Mr. HUMPHREY. In the opinion of the junior Senator from Minnesota—I must be very candid with the Senator—there is really no basic difference.

Mr. EASTLAND. What is the basic difference between the distinguished Senator's proposed amendment and the Brannan plan?

Mr. HUMPHREY. There is a considerable difference. The Brannan plan would exercise some controls and imposes certain quotas, and would set up a certain size of farm, with a kind of regulated production which this proposed amendment does not do.

Mr. EASTLAND. This amendment, then, is the Brannan plan without production controls?

Mr. HUMPHREY. So far as I know, this is the compensatory payment which was in the 1948 act, which I believe both the Senator from New Mexico [Mr. ANDERSON] and the Senator from Vermont [Mr. AIKEN] have at times suggested as one of the means for supporting perishable commodities.

Mr. EASTLAND. I understand; but it is compensatory payments without controls; is it not?

Mr. HUMPHREY. That is correct. However, the control period or the use period is limited to 1956 for the purpose of price supports and disposal of commodities.

I wish to explain to my colleagues what the proposed amendment provides, because I do not think there should be any misconception. I know some Senators disagree with this method. There is a possibility that the words "other operations" could be interpreted otherwise, but if we accept the interpretation of the House committee report, I think the interpretation which the junior Senator from Minnesota has placed upon those words is fair and accurate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND rose.

Mr. HUMPHREY. I yield to myself additional time, Madam President, to answer any questions the Senator from Florida [Mr. HOLLAND] may have.

Mr. HOLLAND. Madam President, I thank the Senator from Minnesota. As I understand the comments of the distinguished Senator from Minnesota, he is explaining the provisions of his proposed amendment.

Mr. HUMPHREY. In the proposed amendment of the senior Senator from Minnesota [Mr. THYE].

Mr. HOLLAND. The junior Senator from Minnesota is explaining the provisions of the amendment of the senior Senator from Minnesota with reference to production payments, which are quite similar to those provided in the so-called Brannan plan, with the exception that under the Brannan plan the producing unit was limited to the family-sized unit, whereas under this proposal there would be no limitation, and large producers and small producers and all kinds of producers would have the same kind of treatment. Is that correct or not?

Mr. HUMPHREY. That is the interpretation of the Senator from Florida. I shall give my interpretation.

What I am saying is that the House committee made certain recommendations which were included in the House bill which was passed. The language which is now in the House bill constitutes the amendment offered by the senior Senator from Minnesota to the amendment of the Senator from Vermont. That amendment provides for loans, purchases, and "other operations." I am only saying that the "other operations" have been explained quite clearly in the committee report to the House of Representatives.

Rather than call this the Brannan plan, I think I would call it the "Hope plan" in the House, or perhaps the "Aiken plan" in the Senate or the "Anderson plan."

I do not think there is any secret about this. Insofar as compensatory payments are concerned, Mr. Brannan did not conceive that idea. I think he more or less lifted it from somebody else.

I believe the difference between the Brannan plan and the compensatory payments is the matter of overall policy of production controls and units established. I think the compensatory payment idea is a good one, and I commend the authors of it.

Mr. HOLLAND. Madam President, will the Senator yield again?

Mr. ANDERSON rose.

Mr. HUMPHREY. I should like to yield to the Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. If the Senator from Florida will indulge me, I only wished to commend the Senator from Minnesota for making clear the fact that compensatory payments are not always to be identified with the Brannan plan.

Mr. HUMPHREY. Of course not.

Mr. ANDERSON. Compensatory payments were used in the Department of Agriculture in 1935. Chester Davis tried them. They were recommended by the Department in connection with eggs at an earlier date. They were in the Agricultural Act of 1948.

Secretary Brannan came along later and added some features which the Senator from Minnesota spoke about, which dealt with units.

Mr. HUMPHREY. Yes.

Mr. ANDERSON. That plan set up an entirely different situation from that which was involved in the simple principle of compensatory payments.

I think it is a fine thing if once in a while we can recognize that we must not say with reference to everything that it falls under the pattern of the Brannan plan, even though I do not like this particular language, because I think it does not provide some of the things which ought to be established for a true control of dairy production.

Mr. HUMPHREY. I thank the Senator from New Mexico.

I do not wish to enter into any labeling contest. I do not care whether it is the "O'Malley plan" or "Joe Smaltz plan," or whose plan it is. I am only trying to explain what we propose to insert in the bill.

If there is to be such a frenzy over the so-called surplus, I suggest to my colleagues that we should think of a way to dispose of the surplus. Butter will not

grow any fresher by reason of being stored longer. Powdered milk will not become any dryer by reason of being stored longer.

The PRESIDING OFFICER. The additional 5 minutes of the Senator from Minnesota have expired.

Mr. HUMPHREY. Madam President, I yield myself 1 more minute, so that I may place in the RECORD a letter I have received from the National Milk Producers Federation commenting on the provisions of S. 3052. I ask unanimous consent that it be printed in the RECORD at this point.

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

WASHINGTON, D. C., *July 19, 1954.*

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

DEAR SENATOR HUMPHREY: Our dairy farmer members support the provisions of S. 3052 as reported by the Senate Committee on Agriculture and Forestry.

In respectfully urging you to vote for the proposed legislation and oppose amendments designed to modify the provisions relating to price supports, we recognize that you may not be in complete agreement with our position. If you agree with us, your support is very much appreciated. If you differ with our views, we respect your right to do so.

However, there is one factor involved in this controversy that outweighs all others, namely, the unity of agriculture. Above all other considerations, all segments of agriculture must stand together and not permit one commodity to be pitted against another commodity. Neither producers nor consumers gain when agricultural ranks are divided.

Every vote in support of the recommendations of the majority of the Senate Committee on Agriculture and Forestry will contribute toward maintaining a united agriculture. We earnestly ask your help in achieving this important objective.

We repeat, we support the provisions of S. 3052 as reported.

Sincerely yours,

E. M. NORTON,
Secretary, National Milk Producers Federation.

Mr. HUMPHREY. I also request to have printed in the RECORD a letter I have received from the National Creameries Association, which relates to the matter of the surplus we have on hand, or, as I think I appropriately termed it, "the inventory."

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

WASHINGTON, D. C., *July 28, 1954.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

Attention: Mr. Herbert Waters.

DEAR SENATOR HUMPHREY: I am sending you the following information regarding the dairy stock position of the Commodity Credit Corporation in order that you will have the information showing the dire necessity for the Congress to enact the language in S. 3052, which would permit the Secretary of Agriculture to support prices through either direct payments to producers or to producers through payments to plants.

As of July 21, 1954, the CCC had available for sale, i. e., commodity for which no program outlet exists, the following volumes:

	Pounds
1. Butter	464,000,000
2. Cheese	422,000,000
3. Nonfat dry milk solids	286,000,000

Purchases of butter and cheese have shown some tendency to decline in the last couple of weeks, but still are running at high levels. It is probable that uncertainty as to whether the price will be raised September 1, as provided in the House and Senate bills, is contributing to the reduced volume of sales to the Government.

In any event, it is imperative that the Congress enact the language you sponsored in the Senate bill, or similar language giving the Secretary of Agriculture authority to conduct such a program. As you will no doubt recall, I advised the Congress that the Attorney General has ruled that, under existing law, the Secretary does not have authority to conduct the payment or purchase resale program. Therefore, unless the Congress enacts the appropriate legislation the Department of Agriculture cannot liquidate the CCC stocks inasmuch as foreign sales at world prices and grants of one kind or another do not offer outlets of sufficient scope to dispose of the CCC stocks.

Frankly, I have been quite disturbed by rumors that there may be a logjam on the bill, and no legislation would be enacted, whereupon the Agricultural Act of 1949 would take effect. While there are many fine features in the act of 1949, the fact remains that, under the ruling of the Attorney General, the act does not provide appropriate techniques for the disposition of such large surpluses of dairy commodities as those now held by the Commodity Credit Corporation. We feel that failure of the Congress to enact the language you have sponsored in the Senate bill, or similar language, will spell the end of the dairy price support program. After all, the commodities are somewhat perishable, and if any significant spoilage of such commodities takes place, it is to be expected that the public will see to it that the program is discontinued.

In connection with fluid milk orders, I am attaching hereto copy of the brief which I have filed in connection with the proposed marketing agreement and proposed order regulating the handling of milk in the Corpus Christi, Tex., marketing area. This brief is somewhat voluminous, but I believe sets forth clearly the major portion of our case against the manner in which these orders are promulgated and administered. It is indeed small wonder that fluid milkshed producers like the orders. As administered, they give them a practically ironclad monopoly of the local milk business, and shield them from legitimate competition from our area.

With best wishes, and hoping you will call upon me at any time for any facts and information regarding these matters which I can furnish, I am,

Sincerely yours,

OTIE M. REED,
Washington Representative, National Creameries Association.

Mr. HUMPHREY. Madam President, I also request that there be printed in the RECORD a telegram I have received from the Minnesota Creameries Association, and the reply thereto; as well as a telegram from the Minnesota Farmers Union.

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

ST. PAUL, MINN., *August 3, 1954.*

Senator HUBERT H. HUMPHREY,
Senate Office Building:

Dairy farmers are much concerned and seriously object to the AIKEN, SCHOEPPEL, ANDERSON, and others amending S. 3052 which does not provide for a disposal program of dairy products. Our association represents more than 70,000 Minnesota producers who request the disposal program included in the original bill.

MINNESOTA CREAMERIES ASSOCIATION,
HERMAN OLSON, *Executive Secretary.*

SENATE OFFICE BUILDING,
August 4, 1954.

HERMAN OLSON,
Executive Secretary,
Minnesota Creameries Association,
St. Paul, Minn.:

Assure your producer-members I shall vigorously oppose Aiken substitute neglecting dairy disposal program, and fight for original bill containing my amendment authorizing payments for moving butter stocks.

HUBERT H. HUMPHREY.

ST. PAUL, MINN., *July 28, 1954.*

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

Your amendments on mandatory feed-grain supports and for dairy-production payments are worthy of vigorous effort in the Senate debates. Dairy support to producers should be made mandatory so there would be no necessary increase in retail dairy prices. No windfall to processors and no additional Government purchases and storage. Impact of June price break and crop prospects due to weather and insects make it increasingly important to maintain price level for the farmer. Minnesota farmers appreciate your alertness and tireless efforts on behalf of a decent farm program.

EDWIN CHRISTIANSON,
President, Minesota Farmers Union.

Mr. HUMPHREY. I also desire to have placed in the RECORD, Madam President, a discussion of parity on milk, which I have entitled, "Juggled 'Parity' on Milk," showing what has really happened to the parity-price formula.

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

Juggled "parity" on milk

Actual prices received by farmers for manufacturing milk in April and May averaged only 74 and 72 percent of parity respectively. However, the actual prices were slightly above 75 percent of the new, reduced "parity" announced by Benson to take effect on the same day as the cut in supports on dairy products. Here, based on the May 28 report on Agricultural Prices of the Department of Agriculture, are the figures:

Month	Average price per hundredweight received by farmers	Benson parity per hundredweight for 3.95 percent manufactured milk	Original parity per hundredweight for 3.95 percent manufactured milk	Percent of Benson parity of actual price	Percent of original parity of actual price
April	$3.10	$3.99	$4.20	77.7	73.8
May	3.05	4.02	4.23	75.8	72.1

Source: Excerpt from the weekly report of the National Farmers Union, June 4, 1954.

Mr. HUMPHREY. Madam President, I should also like to have inserted in the RECORD, an article entitled, "The Middlemen's Bite."

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

THE MIDDLEMEN'S BITE

The middlemen's bite out of the prices paid for dairy products increased enormously in 1953. The table below contrasts the share of the retail prices for various dairy products that was received by farmers, and the share that went to middlemen, in 1952 and 1953. The prices show what the farmers got for 100 pounds of milk used in making the various products, contrasted with what the middlemen got for products manufactured from 100 pounds of milk above and beyond the price they paid the farmers for the milk. All figures are from Department of Agriculture reports:

Shares received by farmers and middlemen of retail prices paid for dairy products produced from 100 pounds of milk

Year	Butter		American cheese		Evaporated milk		Fluid milk	
	Farmers	Middlemen	Farmers	Middlemen	Farmers	Middlemen	Farmers	Middlemen
1952	$4.07	$1.25	$4.07	$2.47	$4.16	$3.61	$5.63 [1]	$5.11
1953	$3.65	$1.28	$3.55	$2.92	$3.51	$4.13	$5.18 [1]	$5.39
Comparison	Down 42 cents.	Up 3 cents.	Down 52 cents.	Up 45 cents.	Down 65 cents.	Up 52 cents.	Down 45 cents.	Up 28 cents.

[1] Based on national average price in December of respective years.

Source: Excerpt from the weekly report of the National Farmers Union, June 4, 1954.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN] to the committee amendment.

Mr. HUMPHREY. Madam President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Unless there is time to be yielded, I shall suggest the absence of a quorum.

Mr. WILLIAMS. I think the Senator from New Mexico [Mr. ANDERSON] desired some time.

The PRESIDING OFFICER. That would not be in order, unless further amendments to this amendment were offered.

Mr. AIKEN. Madam President, the Senator from Minnesota does not have time to call for a quorum, does he? I do not desire to have the Senator call a quorum and use up my time.

Mr. HUMPHREY. Madam President, am I to be informed that a Senator cannot have the privilege of suggesting the absence of a quorum, for the purpose of doing business in the Senate?

The PRESIDING OFFICER. Not until the Senator from Vermont has used his time.

Mr. HUMPHREY. Indeed; I understand that.

Mr. AIKEN. I did not want the Senator from Minnesota to suggest the absence of a quorum while using my time.

Madam President, I yield 15 minutes to the distinguished Senator from New Mexico.

Mr. ANDERSON. Madam President, I shall oppose the amendment which has been offered by the distinguished senior Senator from Minnesota [Mr. THYE], and shall urge the adoption of the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and on behalf of other Senators.

In the beginning, let me say that one of the difficulties in connection with the dairy amendment is that there is no method of control. One thing which Members of the Senate have said time after time, and with which I find myself in agreement, is that we are not in very much difficulty with respect to the tobacco program; we are not in too much difficulty concerning the cotton program. That is because there are methods of control.

Mr. HUMPHREY. Madam President, I ask for order in the Senate, so that it will be possible to listen to the remarks of the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New Mexico will proceed.

Mr. ANDERSON. Today the newspapers carry the story that the cotton crop will run to about 12,600,000 bales. The cotton acreage was allotted on the basis of about 12 million bales. If the cotton crop runs to 13 million bales, as I think it may, it will not be any great violation of the farm program. Fundamentally, it is always possible to store cotton. It is a commodity which can be put away and kept for 10 or 15 years, without any difficulty at all. Therefore, while there may be additional surpluses, while there may be occasional circumstances under which an additional million bales of cotton will come onto the market, over and above what the Department of Agriculture has calculated, that will not do any damage to anyone.

The same reasoning applies to the tobacco program. In some years a little too much tobacco may be produced; in other years too little may be produced. But, year by year, the tobacco program has been carried on without damage to the country, economically, because the tobacco program is subject to very careful control.

The same holds true, I may say to the able Senator from Louisiana, with respect to rice. There are years when rice production may get out of hand, while in other years the production of rice may drop. But over a long period of years, I do not think the country has been damaged by an overproduction of rice.

So we could go through the list of agricultural commodities. That is why there has been set up a table of basic commodities. The basic commodities are storable and controllable.

Those factors do not apply to the dairy program. Many persons think it is far wiser to allow the dairy price supports to remain at the levels fixed by the Secretary of Agriculture as of April 1, at from 75 to 90 percent, and not to change them any more, because there cannot be stability unless a program can be continued for a substantial period of time.

I did not agree with the Secretary of Agriculture, 3 or 4 months ago, when he fixed the dairy support level below 90 percent. But that was his function and privilege. He put the price there, and it should stay there for a solid year. I did not come in the next month and say I thought he ought to change it. I thought in the beginning that he should not have changed it, and I said so. But he having embarked on a 75 percent program, I did not say he should change it; I thought he should carry it through the entire year, even though there may be strong reasons and feelings why the program should be changed.

At the new dairy support price level of 75 percent of parity, which became effective April 1, a better balance of production and consumption gradually is being achieved.

When dairy products were supported at 90 percent of parity, production progressively outran consumption, exceeding utilization by 3 percent during the marketing year ending March 31, 1953, and 10 percent during the marketing year recently ended. Indications are that this trend is being reversed.

The stimulus of past high prices continues to have its effect on production, since adjustments in dairying, a biological enterprise, cannot come rapidly. Nevertheless, there are indications that downward adjustments in production are being made, even during the lush pasture season. United States milk production in June, historically the month of peak production, was down 3 percent from May, In the important Midwestern States of Wisconsin, Minnesota, and Iowa, June production was down 4, 3, and 2 percent, respectively, from the levels of the preceding month.

In 4 of 6 major dairy regions, production per cow on July 1 was below that of a year ago. The percentage of cows in the herd which were being milked, was likewise down, reflecting the lessened incentive to strive for high production.

While total milk production was still running high, the excess above a year ago had diminished from 5 percent in early 1954 to 2 percent in June.

These downward adjustments in milk production, though slight, are a refutation of those who have said that the response to a lower price would be increased production.

Meanwhile, household consumption of butter has increased slightly. Consumption in April, stimulted by a price drop of 9.4 cents a pound, was about 7 percent greater than last fall. This gain appears to have been maintained through May and June. Margarine consumption has decreased slightly.

Commodity Credit Corporation acquisition of butter thus far this marketing year is running slightly less than a year

ago, 137 milion pounds, as compared with 148 million pounds. The acquisition of cheese is down sharply. These downward changes are the more significant in view of the fact that milk production, though adjusting downward, has still been above that of a year ago.

As dairy production declines seasonally in the months ahead, further improvements in balance of production and consumption seem likely.

I think, therefore, that we are moving in the right direction. I believe the dairy industry is doing the job of trying to adjust its surplus stocks.

In connection with the amendment now before the Senate, I think it is important to point out that there is strong objection to the provision of the House bill, which is included in the amendment offered by the able senior Senator from Minnesota, suggesting that the term "other operations" be used in connection with milk and the products of milk and butterfat.

I do not know exactly what that may lead to, but I know that the sentiment throughout the country seems to be that great care should be taken before entering upon a system of production payments.

My attention has been directed to the press conference held by the President on July 28, 1954, in which he was asked certain questions about the Brannan plan. The President said he had taken his stand on the dairy situation, and had announced it. The dairy situation, the President said, has been improving very markedly in different respects since the rigid price supports were broken down on the first of April and the market for dairy products has been growing. Then he used these words, which I regard as significant:

> I personally believe that the dairy program should not be disturbed as it now is.

I can only say that I have to agree with that sentiment, because I believe it would be extremely unfortunate if the Secretary of Agriculture, having started on a program for a year, suddenly should be confronted with a change in the program, involving price supports of 80 percent, 85 percent, or any other figure.

As a matter of fact, some of us, in looking at the different dates, have discovered that there might be windfall provisions, which would result in profits to individuals who might have stocked large inventories, and then have unloaded them on the Government at a later time. That was not the purpose of the individuals who offered the amendment. Nothing could have been further from the minds of the Senators who offered the amendment.

To indicate how these things can occur, I should perhaps place in the RECORD a table showing that the individual profits can run to about $42 million in the few months this program would be in effect, if 85 percent of parity should be adopted as of September 1.

Madam President, I ask unanimous consent to have printed at this point in my remarks the table and the few supplementary remarks in connection with the table, dealing with prices and price-support purchases of creamery butter.

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

POSSIBLE WINDFALL PROFITS ON COMMERCIAL INVENTORIES OF DAIRY PRODUCTS

The following are estimates of the gain which might be realized by holders of commercial inventories of dairy products should price supports be raised to 85 percent of parity on September 1, as would be required by the Senate version of S. 3052:

Estimate of payments which would be made on commercial inventories of dairy products held on Sept. 1, 1954

Product	Probable commercial stocks Sept. 1, 1954	Rate of payment	Unit of payment	Total payment
	Million pounds	*Cents*		*Millions*
Butter	185	7.65	Lb	14.2
Cheese (cheddar)	255	5.6	Lb	14.3
Nonfat dry milk	255	2.1	Lb	5.4
Total, products currently being purchased				33.9
Milk equivalent of other manufactured dairy products [1]	1,300	56.0	Cwt	7.3
Milk equivalent of storage cream	200	56.0	Cwt	1.1
Total				42.3

[1] Principally evaporated and condensed milk and cheese other than cheddar.

The above estimates are based on commercial holdings as of May 31, 1954, and take into account probable production in June, July, and August, expected movements into current consumption, and expected sales to the Government under the price-support program, including quantities already purchased through July 9.

In estimating sales to the Government between now and September 1 it was considered that the present levels would continue through most of July, but that on or about the end of the month the price-support bill would be passed and commercial interests would then be certain of the price increase to be expected September 1.

The following is a record of the experience with butter price supports in a similar situation in 1949:

Prices and price-support purchases of creamery butter, April to September 1949

Month	Butter			Butterfat in farm separated cream price
	Support price	Actual price [1]	U. S. Department of Agriculture purchases	
	Cents	*Cents*	*Pounds*	*Cents*
April	59	58.95	1,827,382	61.4
May	59	58.90	793,830	60.7
June	59	58.84	5,176,201	59.2
July	[2] 59	[3] 59.87	2,347,933	59.1
August	62	61.86	50,681,009	60.7
September	62	61.93	21,757,856	61.8

[1] Monthly average of wholesale prices of grade A butter at Chicago reported by U. S. Department of Agriculture Market News Service.

[2] A seasonal price increase, originally announced to cover the cost of storing butter from the beginning of the storage season, Apr. 1 to Sept. 1, was made effective July 28 because wholesale market prices had failed to advance as the carrying charges to Sept. 1 became less.

[3] Prices ranged from 59¼ to 59¾ cents, July 1 to 25; 59¾ to 60 cents, July 26 to 27; and 61½ to 62 cents, July 28 to 29.

Mr. ANDERSON. Madam President, finally, I may say that one of the difficulties is in reference to providing for the constant use of the byproducts of milk and the products of butterfat, which have to be handled very carefully. I have another list, comprised of 3 or 4 pages, setting forth all the products of milk and the products of butterfat. It is a very substantial list. Once in a while it is surprising, when trying to handle a dairy-products program, to have someone ask, "What are you going to do with ice cream mix and a dozen other products?"

I believe the present program is working in the right direction. The old dairy program, in my opinion, did not work in the right direction. We had testimony from the representatives of creameries as to how the dairy program had not worked for them.

We had testimony from the dairy farmers, who were not getting 90 percent of parity support. We had testimony from many parts of the country that the supports had fallen to 70 percent. We had some testimony that across the country, during one period, the dairy-support program was averaging 77 percent of parity.

We know that in certain well-regulated milksheds, where there were marketing agreements, there was bound to be a 90 percent parity. But if the dairy industry, nationwide, were to come down to 77 percent average, it could well be understood that many farmers would receive less than 70 percent.

While we were having our examination of witnesses, I asked some questions as to the how the creameries had gotten along during this period, because it seemed to me that they had been profiting very substantially by the program if they were buying milk at less than 70 or 75 percent, and selling their manufactured products at 90 percent. I noticed one company which in 1946 had made $50 million before taxes; in 1950, $65 million; in 1951, $67 million; in 1952, $73 million; and in 1953, $81½ million. That was possible because they did not incur the ordinary burdens of advertising. They had an opportunity to make extraordinary profits.

I believe the Department of Agriculture is correct when it says the program should be left alone; and I, therefore, would oppose an amendment which would substitute the House language, and I would support the amendment offered by the Senator from Vermont, which would put into the bill a provision only that dairy products shall be supported at from 75 to 90 percent.

Madam President, I yield the floor.

Mr. AIKEN. Madam President, I know I have some time left. The Senator from Minnesota has offered an amendment, as to which I believe each side would be entitled to 1 hour of debate. I have discussed the matter with the Senator from Minnesota. We feel that many Senators who are not present on the floor at this time who might come in to vote would have little idea of what they were being asked to vote on. Therefore, we have discussed the possibility of yielding back all our time except for about 5 minutes on each side, and asking for a quorum call.

Mr. THYE. Madam President, the Senator from Vermont has stated the situation. If it is agreeable to the Senator from Vermont to give up all his time except 5 minutes on my amendment, I shall yield back all the time available to this side except 5 minutes. A quorum call would then be asked for, which would be charged to the time of both sides. That would permit us briefly to explain to Senators who came to the Chamber in response to the quorum call what the amendment I have sent to the desk proposes to do, and the Senator from Vermont could then state his objection to the amendment. I think that would expedite the proceedings, and permit Senators who have not been present to listen to explanations for and against the amendment.

Mr. McCARTHY. Madam President, I have an amendment which would perfect the section which the Senator from Vermont wishes to strike. I assume that would take the precedence over his amendment to strike.

The PRESIDING OFFICER. The Chair will state to the Senator from Wisconsin that the proposed agreement would not affect his amendment.

Mr. THYE. Madam President, if I believe the parliamentary situation is that, insofar as my amendment to the amendment of the Senator from Vermont is concerned, it would have no effect upon the amendment of the Senator from Wisconsin and would have no effect on the time to debate that amendment. If the Senator from Wisconsin wishes to offer an amendment, there will be a total of 2 hours debate available, 1 hour on each side. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. THYE. But we would have to dispose of the amendment which I have sent to the desk before the amendment of the Senator from Wisconsin would be in order. Is that correct?

The PRESIDING OFFICER. The statement of the Senator from Minnesota is correct, except that he has not offered his amendment as yet.

Mr. THYE. I was only making a parliamentary inquiry. If the Senator from Vermont and I yielded back the remaining time, except for 5 minutes on each side, then I would ask unanimous consent to take up my amendment, so that the amendment would be before the Senate. The absence of a quorum would then be suggested, and after the explanations the remainder of the time would be yielded back.

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment of the Senator from Minnesota? The Chair hears none.

Mr. THYE. Madam President, on behalf of the senior Senator from North Dakota [Mr. LANGER], the junior Senator from North Dakota [Mr. YOUNG], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from New York [Mr. LEHMAN], I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In lieu of the matter proposed to be inserted by Mr. AIKEN, it is proposed to insert the following:

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, or for the period ending March 31, 1956, other operations in connection with milk and the products of milk and butterfat, except that, beginning September 1, 1954, and ending June 30, 1956, not to exceed $50 million annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under. In determining the level at which such price support for the marketing years beginning April 1, 1955, and April 1, 1956, respectively, shall be provided the Secretary shall take into consideration: (1) the declared policy of this act, (2) the estimated supply of milk and dairy products for the marketing year, (3) the estimated demand for milk and dairy products for the marketing year, (4) the price level for feed crops which affect the cost of milk production, (5) the estimated costs of producing, processing, and marketing milk and dairy products, (6) estimated returns to farmers from alternative crops and commodities, and (7) other economic conditions which affect the market supply and demand for milk and dairy products. For the purpose of determining the level of price supports, the parity equivalent of manufacturing milk shall continue to be computed on the 30-month base July 1, 1946, to December 31, 1948, at 88½ percent of parity for all milk sold wholesale by farmers until 10 full years shall have elapsed since July 1, 1946; thereafter the parity equivalent for manufacturing milk for any marketing year shall be computed on the basis of the average ratio which the prices received by farmers for manufacturing milk bears to the prices received by farmers for all milk sold wholesale during the most recent 10-year period ending July 1 of the previous year. Effective on milk and butterfat and the products thereof produced on and after September 1, 1954, the level of support for milk and butterfat for the marketing year ending March 31, 1955, shall be not less than 80 percent of the parity price therefor.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Ervin	Langer
Anderson	Ferguson	Lehman
Barrett	Fulbright	Lennon
Beall	George	Long
Bennett	Gillette	Magnuson
Bowring	Goldwater	Malone
Bricker	Gore	Mansfield
Bridges	Green	Martin
Burke	Hayden	McCarran
Bush	Hendrickson	McCarthy
Butler	Hennings	McClellan
Byrd	Hickenlooper	Millikin
Capehart	Hill	Monroney
Carlson	Holland	Morse
Case	Humphrey	Mundt
Chavez	Ives	Murray
Clements	Jackson	Neely
Cooper	Jenner	Pastore
Cordon	Johnson, Colo.	Payne
Crippa	Johnson, Tex.	Potter
Daniel	Johnston, S. C.	Purtell
Dirksen	Kefauver	Reynolds
Douglas	Kennedy	Robertson
Duff	Kerr	Russell
Dworshak	Kilgore	Saltonstall
Eastland	Knowland	Schoeppel
Ellender	Kuchel	Smathers
Smith, Maine	Thye	Wiley
Smith, N. J.	Upton	Williams
Stennis	Watkins	Young
Symington	Welker	

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

The question is on agreeing to the amendment proposed by the Senator from Minnesota [Mr. THYE], on behalf of himself and other Senators, to the amendment of the Senator from Vermont.

Mr. THYE. Mr. President, for the information of all Senators, let me say that the Senator from Vermont [Mr. AIKEN] and I have agreed to surrender all time on both sides on my amendment, except for 5 minutes to a side.

My amendment proposes to amend the amendment of the Senator from Vermont so as to provide 80 percent supports on dairy products, in a manner similar to that by which 85 percent supports would be provided for in the committee amendment.

My amendment proposes certain language taken directly from the House bill (H. R. 9680), to be found in it, beginning on page 32, in line 6, and continuing through line 21, on page 33.

Primarily, that will give support to dairy products at 80 percent. My amendment is exactly like the corresponding part of the House bill, providing for 80 percent support on dairy products, and providing that the Secretary of Agriculture shall have $50 million annually which he can use to increase consumption of milk by school children. Mr. President, in that connection I shall read from the amendment:

Beginning September 1, 1954, and ending June 30, 1956, not to exceed $50,000,000 annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under.

Mr. President, primarily what I am seeking to do is establish the support of dairy products at 80 percent. The Senator from Vermont proposes to strike the dairy price support provisions from the committee amendment, so there would be no supports except those provided by existing law, which would be supports from 75 percent to 90 percent of parity, as the Secretary of Agriculture might find necessary.

Mr. President, having explained the effect of my amendment, I surrender all time remaining to my side on my amendment to the amendment of the Senator from Vermont.

Mr. KNOWLAND. Mr. President, on the question of agreeing to the amendment of the Senator from Minnesota to the amendment of the Senator from Vermont, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, let me say briefly that I hope the amendment of the Senator from Minnesota, which is the language of the House bill on this subject, will not be adopted by the Senate.

Since April 1, we have made great progress in expanding the use of dairy products in the United States. We have made great progress in bringing production into line with our requirements.

In the past 6 months there has been no increase in the number of dairy cows in the United States. In the last 12 months there has been an increase of only 1.4 percent, which is less than the increase in population, and that increase occurred last fall, rather than this spring.

The Commodity Credit Corporation's purchases of dairy products have been dropping steadily since the new program went into effect on April 1, showing conclusively that more dairy products are finding their way onto consumers' tables.

During July 1954 the Commodity Credit Corporation purchased only 35 million pounds of butter, as compared with its purchases of 50 million pounds in the corresponding month last year. Of course, I am stating the figures in round numbers. Similarly, during July 1954 the Commodity Credit Corporation purchased only 22 million pounds of cheese, as compared with its purchases of 42 million pounds in July last year. Those figures show conclusively that more dairy products are going upon consumers' tables, and smaller amounts are being placed in Government refrigerators.

On July 15, the price of milk and dairy products, countrywide, was 84 percent of parity in the case of milk, and 76 percent of parity in the case of butterfat. So it is clearly apparent that if we let things alone, in the natural course of events, throughout the Nation dairy products will have a higher level of support for the entire year than would be provided by the amendment of the Senator from Minnesota to my amendment.

Mr. President, we cannot afford to interrupt the great progress we are making today in the dairy world. The Secretary of Agriculture has said that the dairy provisions of the House bill are the most objectionable parts of the entire bill. President Eisenhower himself has stated that he is strongly opposed to those provisions. The amendment I am offering, which the Senator from Minnesota seeks to amend by means of his amendment, permits the Secretary of Agriculture to support the price of fluid milk. My amendment imposes no restriction upon the amount of fluid milk the Secretary of Agriculture can purchase; neither does it impose a time limitation of 2 years, as is provided by the House bill.

I believe that if we accept the amendment which I have offered on behalf of six members of the Agriculture Committee and myself, and reject the amendment offered by the Senator from Minnesota, we shall have made great progress in the dairy industry.

Mr. THYE. Mr. President, does not the Senator's amendment propose to strike out any reference to the subject, except go back to the old act which provides 75 to 90 percent?

Mr. AIKEN. No.

Mr. THYE. Then the Senator had better explain his amendment because that is my understanding.

Mr. AIKEN. The amendment which I offer for six colleagues on the Agricure Committee and myself would permit the support of dairy products through the purchase of fluid milk. That provision is not found in the present law. I guarantee that that is so.

Mr. WILEY. On what basis?

Mr. AIKEN. It provides for 75 to 90 percent support.

Mr. WILEY. Of fluid milk?

Mr. AIKEN. The Secretary is now restricted, in supporting the price of dairy products, to the purchase of or loans on products only; that is, products turned out by processors. This amendment which we offer authorizes him, in addition, to support the price of fluid milk itself, which he can then dispose of under section 416 of the Agricultural Act of 1949.

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE] to the amendment of the Senator from Vermont [Mr. AIKEN].

Mr. McCARTHY. I have a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will please state it.

Mr. McCARTHY. I have an amendment to the original bill, an amendment to the section which would be stricken out by the amendment of the Senator from Vermont.

May I have the attention of the Senator from Minnesota [Mr. THYE]?

The PRESIDING OFFICER. The attention of the Senator from Minnesota is requested.

Mr. THYE. I beg the Senator's pardon. I was answering a question.

Mr. McCARTHY. Am I correct, Mr. President, that the first vote will be upon the amendment of the Senator from Minnesota [Mr. THYE] to the proposed amendment of the Senator from Vermont [Mr. AIKEN], and that then my amendment would take precedence over the amendment of the Senator from Vermont?

The PRESIDING OFFICER. The Senator is correct. Does the Senator wish to offer his amendment now?

Mr. McCARTHY. Yes, I send it to the desk.

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

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AIKEN. The amendment offered by the Senator from Wisconsin cannot be considered until the amendment offered by the Senator from Minnesota is disposed of, can it?

The PRESIDING OFFICER. The Senator is advised that the amendment can be considered now, because it is an amendment to the part which it is suggested be stricken out.

The clerk will state the amendment proposed by the Senator from Wisconsin.

The LEGISLATIVE CLERK. On page 22 it is proposed to strike out lines 15 through 17 and insert "90 percent."

On page 23, beginning with the word "Effective" in line 24, it is proposed to strike out over through the period in line 3 on page 24.

The PRESIDING OFFICER. Does the Senator from Wisconsin desire the amendments to be considered en bloc?

Mr. McCARTHY. Yes.

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

The question is now on agreeing to the perfecting amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. KNOWLAND. Mr. President, a parliamentary inquiry. Is not the amendment of the Senator from Wisconsin [Mr. McCARTHY] a perfecting amendment which will have to be voted on before the Senate proceeds to a yea-and-nay vote on the amendment of the Senator from Minnesota?

The PRESIDING OFFICER. The Senator from California has stated the situation correctly.

Mr. KNOWLAND. Does the Senator from Wisconsin [Mr. McCARTHY] desire a division on his amendment?

Mr. McCARTHY. I am not sure I understand the parliamentary procedure. I understood that before I could bring up my perfecting amendment to the original bill, the amendment of the Senator from Minnesota [Mr. THYE] to the amendment of the Senator from Vermont [Mr. AIKEN] would first be voted upon, but that then, before voting upon the amendment of the Senator from Vermont, I would have the right to submit my perfecting amendment. Is that incorrect?

The PRESIDING OFFICER. The Chair will state the question again. The amendment of the Senator from Wisconsin which is now pending must be voted on first. Therefore, the question now is on agreeing to the perfecting amendment offered by the Senator from Wisconsin to the committee amendment.

Mr. McCARTHY. How much time have I on that amendment, Mr. President?

The PRESIDING OFFICER. The Senator has an hour.

Mr. McCARTHY. I shall not take it. I shall take only about 1 minute.

The PRESIDING OFFICER. The Senator may proceed.

Mr. McCARTHY. Very simply stated, Mr. President, my amendment provides that dairy products shall be supported at 90 percent. My original amendment as drafted provided 90 to 100 percent. I lost the amendment for 90 to 100 percent on staple products by such a sizable vote that I discussed the matter with some of my friends in the Senate and they suggested we make it 90 percent.

Very simply stated, it merely provides that dairy products shall be supported at 90 percent rather than 75 percent to 90 percent.

It is estimated that our farmers in Wisconsin alone will lose $9 million a year with the new formula of 75 percent support. Applying that formula to the average of the past 100 years means that the people in the cities of Wisconsin would lose 7.19 times that much income. If we adopt the 75 to 90 percent formula which Mr. Benson has adopted, it means

poverty to our dairy farmers and a certain degree of poverty to the people in our cities.

I strongly urge that the Senate adopt the provision for 90 percent of parity. There is no reason on earth why our dairy farmers should pay for grains at the rate they are paying and have a formula for parity for dairy products which is much lower.

I am not sure whether the senior Senator from Wisconsin [Mr. WILEY] desires some time to discuss this amendment. If so, I yield him whatever time he desires.

Mr. WILEY. Mr. President, I spoke a little while ago in relation to the Aiken amendment, and I wish to repeat what was developed in that discussion. It was developed very clearly, without any contradiction, that the milk producers or farmers in the East have really no need for the 90-percent guaranty. They are getting all of that and more, too.

The Middle West, which is the dairyland of this country, is producing between 16 and 17 billion pounds of milk. The Government asked us to bring about that production, and we did so.

Something has been said about the impact of smaller dollar purchases. Definitely, under the formula of the law as it is now, we have not had 90 percent of parity. I think the distinguished Senator from Vermont [Mr. AIKEN] said that what the farmer got was a little over 80 percent of parity. Am I correct?

Mr. AIKEN. Eighty-four percent for milk, and 76 percent for butterfat, but that is during July the low-priced month of the year.

Mr. WILEY. The low-priced month of the year, as the Senator calls it, is now. We are getting between 5½ cents and 6 cents a quart for our milk.

Mr. President, Wisconsin is a State which has never asked anything of the Federal Government. It has been one of the most independent States, and has developed a dairy industry that outranks that of any other State in the Nation. Minnesota and Iowa produce more butter than we do because our milk goes largely into the manufacture of cheese and ice cream and cream, and, of course, the milk itself is also consumed.

About 3 or 4 weeks ago, in discussing this subject, I stated that a loss of 60 cents a hundred pounds would mean a loss, if it were averaged throughout the 17 billion pounds, of approximately $200 million a year to the economy of my State.

However, the State of Wisconsin buys from every State in the Union. Two hundred million dollars out of the economy of Wisconsin and out of the blood stream of Wisconsin means that every State will lose.

That is not all. We who are familiar with the history of this country know that depression always start in the farm areas. There are on the books laws guaranteeing minimum wages to the laborer, and other laws which set import duties giving certain guarantees to the manufacturer. The farmer, who has brought his manufacturing plant up to the point where he produces to a maximum, will be penalized, because of inability to distribute the products and will be forced to sell off his cattle in an effort to meet his mortgage payments, and will be compelled to discharge the hired man. He cannot operate if he is to receive only 5½ to 6 cents for his milk.

The consumer of milk pays from 19 to 21 cents a quart. That is not the fault of the farmer. As I said, the farmer is getting a minimum of from 5½ to 6 cents. I happen to know something about the subject, because I am a producer. I am not interested only in ALEC WILEY. I am interested in the great State of Wisconsin, which has produced so many independent people, who have learned to dig and delve for themselves, to create wealth, and to pay taxes, so that this Nation may carry on.

Recently we had before us the mutual aid authorization bill, and soon we shall have the appropriation bill. We have been talking about self-defense. The billions of dollars which we will spend on foreign aid will create a demand upon our economy. We are about to ask the Senate to appropriate approximately $3 billion for that purpose.

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

Mr. WILEY. Not at this time. We are doing it because it is in the interest of national defense.

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

Mr. WILEY. No; I said I will not yield at this point.

The PRESIDING OFFICER. (Mr. BUSH in the chair). The Senator from Wisconsin declines to yield.

Mr. LONG. Why does not the Senator from Wisconsin say $13 billion? If he does, I will agree with him. We are authorizing $13 billion for foreign aid.

Mr. WILEY. That is a matter of dispute. It is a question of whether we speak about authorization or reauthorizations. I am not talking about that. I am talking about new appropriations and new authorizations.

Let us make it plain that we are doing all of that in the interest of national defense. In the interest of national defense we must maintain stability in our own economy at home. We cannot let 20 million or 25 million of our people get into such a condition that they cannot sustain themselves, or at least cannot sustain themselves to the same extent that they have been able to sustain themselves heretofore.

I repeat that in my State the farmers are leaving their farms, and farms are being sold. I am talking in the interest of maintaining a sound economy. We started out with the idea of a 90-percent parity for milk and milk products. The majority of the committee voted for 85 percent. Now we are being asked, through one of these amendments to cut that support price down to the point where we shall not know just what the farmer will get for his products or what he will get for his milk. I believe that in the interest of common sense and in the interest of maintaining the economy of not only the farmer, but in the interest of a sound economy in America, we should vote against an amendment that would make such a reduction.

If we strike the backbone of a person, we injure him, and he cannot carry on. When we strike at the backbone of the country, which is the farmer, the country cannot carry on.

As I previously stated, history shows that depressions have always started on the farm, when the farmers could not receive their cost of production plus a reasonable return for their products. What has happened every time? The farmer could not get into the village to buy his needs. He had no money to deposit in the bank. The merchant could not get his money, and he could not sell his wares. The manufacturer could not sell his products to the merchant, because the merchant could not sell to the farmer. In that way a chain reaction was started.

I trust we shall recognize the significance of 90 percent. That is why I am in favor of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment offered by the junior Senator from Wisconsin [Mr. MCCARTHY] to the amendment offered by the Senator from Minnesota [Mr. THYE].

Mr. MCCARTHY. Mr. President, I shall not ask for the yeas and nays, but I do ask for a division.

On a division Mr. MCCARTHY's amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Minnesota [Mr. THYE] to the amendment of the Senator from Vermont [Mr. AIKEN]. On this amendment the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

On this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay" and the Senator from Alabama [Mr. SPARKMAN] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I announce further that on this vote the Senator from Alabama [Mr. SPARKMAN] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Alabama would vote "yea," and the Senator from Vermont would vote "nay."

The result was announced—yeas 44, nays 48, as follows:

YEAS—44

Burke	Hennings	McCarran
Capehart	Hill	McCarthy
Case	Humphrey	McClellan
Chavez	Jackson	Monroney
Clements	Johnson, Colo.	Morse
Cooper	Johnson, Tex.	Mundt
Daniel	Johnston, S. C.	Murray
Douglas	Kefauver	Neely
Dworshak	Kerr	Russell
Eastland	Kilgore	Stennis
Ellender	Langer	Symington
Ervin	Lehman	Thye
Fulbright	Long	Wiley
George	Magnuson	Young
Gillette	Mansfield	

NAYS—48

Aiken	Ferguson	Millikin
Anderson	Goldwater	Pastore
Barrett	Gore	Payne
Beall	Green	Potter
Bennett	Hayden	Purtell
Bowring	Hendrickson	Reynolds
Bricker	Hickenlooper	Robertson
Bridges	Holland	Saltonstall
Bush	Ives	Schoeppel
Butler	Jenner	Smathers
Byrd	Kennedy	Smith, Maine
Carlson	Knowland	Smith, N. J.
Cordon	Kuchel	Upton
Crippa	Lennon	Watkins
Dirksen	Malone	Welker
Duff	Martin	Williams

NOT VOTING—4

Flanders	Maybank	Sparkman
Frear		

So Mr. THYE's amendment to Mr. AIKEN's amendment was rejected.

Mr. AIKEN. Mr. President, I move that the vote by which the Thye amendment to the Aiken amendment was rejected be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Vermont.

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

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question is now on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN] to the committee amendment. On this question the yeas and nays have been ordered.

Mr. HUMPHREY. Mr. President, has all time been consumed on the amendment?

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, my statement is simply this. The amendment we are to vote upon would continue the downward spiral of the income of the dairy farmers of the country. It provides no system at all for the disposal of the surplus on hand. The dairy farmers are deserving of 90 percent of parity, as are any other group of farmers in America. We have already emasculated the farm bill by a hit-and-miss approach, and the amendment on which we are to vote is another evidence of the mistake we will make in driving American agriculture further down the ladder of recession and depression.

I am unalterably opposed to the amendment of the Senator from Vermont [Mr. AIKEN], which is a repudiation of the majority of the Senate committee. I desire the Senate to know that it is a repudiation of a majority of 8 to 7. The amendment proposed does not meet the standards of the House of Representatives. It meets nothing that has been recommended to this body. The proposed amendment now before us has been conceived in recent days without any hearing and without any background.

The PRESIDING OFFICER. The time of the Senator has expired. The question is on the amendment——

Mr. WILEY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILEY. I notice on page 24 of the bill which was reported by the Committee on Agriculture and Forestry that there is a provision for 85 percent of parity. The amendment of the Senator from Vermont [Mr. AIKEN], as I understand, would strike the provision for 85 percent of parity from the bill, but I do not know what percentage would remain. Am I correct in my conclusion that the amendment would strike the provision for 85 percent of parity, which the majority of the committee has recommended in the bill reported to the Senate?

The PRESIDING OFFICER. That language would be removed by the amendment.

Mr. WILEY. Yes. Is there a possibility of voting separately on the provision for 85 percent of parity?

Mr. AIKEN. Mr. President, the amendment would leave it at 75 to 90 percent.

The VICE PRESIDENT. The answer is "no." The question is on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN] to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is necessarily absent.

On this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "yea" and the Senator from Alabama [Mr. SPARKMAN] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I announce further that on this vote the Senator from Alabama [Mr. SPARKMAN] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Alabama would vote "nay" and the Senator from Vermont would vote "yea."

The result was announced—yeas 49, nays 43, as follows:

YEAS—49

Aiken	Ferguson	Pastore
Anderson	Goldwater	Payne
Barrett	Gore	Potter
Beall	Green	Purtell
Bennett	Hayden	Reynolds
Bowring	Hendrickson	Robertson
Bricker	Hickenlooper	Saltonstall
Bridges	Holland	Schoeppel
Bush	Ives	Smathers
Butler	Jenner	Smith, Maine
Byrd	Kennedy	Smith, N. J.
Carlson	Knowland	Upton
Crippa	Kuchel	Watkins
Dirksen	Lennon	Welker
Duff	Malone	Williams
Dworshak	Martin	
Ellender	Millikin	

NAYS—43

Burke	Ervin	Johnston, S. C.
Capehart	Fulbright	Kefauver
Case	George	Kerr
Chavez	Gillette	Kilgore
Clements	Hennings	Langer
Cooper	Hill	Lehman
Cordon	Humphrey	Long
Daniel	Jackson	Magnuson
Douglas	Johnson, Colo.	Mansfield
Eastland	Johnson, Tex.	McCarran
McCarthy	Murray	Thye
McClellan	Neely	Wiley
Monroney	Russell	Young
Morse	Stennis	
Mundt	Symington	

NOT VOTING—4

Flanders	Maybank	Sparkman
Frear		

So Mr. AIKEN's amendment to the committee amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the vote by which my amendment was agreed to be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Vermont.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, I wish to say that it is not proposed to have any further yea-and-nay votes this evening. I am prepared to withhold the motion to recess until 10 o'clock tomorrow morning so that requests may be made to have matters printed in the RECORD, or, if there are what might be called noncontroversial amendments, such as perfecting amendments of any kind, they might be acted on.

When action is completed on the bill now before the Senate, it is expected that there will be a calendar call. If the Senate meets at 10 o'clock tomorrow morning, and if action is completed at a reasonable hour on the bill now before the Senate, it is expected to have a call of bills on the calendar as to which there is no objection. If action on the bill is not completed by a reasonable hour, it may be necessary to consider certain conference reports ahead of the call of the calendar, because the House has acted on the conference reports on the mutual security bill and the atomic energy bill. Senators interested in either of those conference reports may obtain printed copies of them. I have copies of both the atomic energy conference report and the mutual security conference report. They are now available to Senators on both sides of the aisle.

If there is very much delay in final action on the farm bill now before the Senate, it may be necessary to consider the conference reports, which are privileged matters, before there is a call of the calendar.

On the calendar there is a series of so-called anti-Communist bills, namely, Calendar No. 1720, a bill (S. 3706) to amend the Subversive Activities Control Act of 1950 to provide for the determination of the identity of certain Communist-infiltrated organizations, and for other purposes; Calendar No. 1834, a bill (S. 3428) 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; and Calendar No. 1833, a bill (H. R. 9580) to revise and extend the laws relating to espionage and sabotage, and for other purposes, which had previously been announced as the bills next to be considered by the Senate after the call of the calendar.

It is also desired to act as early as possible on the social security bill and the unemployment reserves bill.

In addition, I might inform the Senate that it is not expected to bring up the resolution for adjournment sine die until after we shall have disposed of the conference reports on the atomic-energy bill and on the mutual security bill, both the authorization bill and the appropriation bill. The adjournment resolution will require an amendment providing that the House shall adjourn sine die while the Senate continues in session or takes a recess, as might be determined by the Senate, in order to solve its own problems, as distinguished from problems that should be solved by both Houses of Congress.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished minority leader.

Mr. JOHNSON of Texas. As I understand, the Senator plans to have a call of the calendar when action is completed on the farm bill, or is that indefinite?

Mr. KNOWLAND. No; I had intended to have a call of the calendar as soon as action is completed on the farm bill. I had hoped that action on the farm bill would be completed last week, and then I hoped it would be completed today. Discussions I have had with Members on both sides of the aisle indicate that unless the Senate were kept in session until an unusually late hour, we could not finish action on the bill today. I do not feel that keeping the Senate in session to as late as 1 or 2 o'clock in the morning is warranted.

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

Mr. KNOWLAND. I shall yield to the Senator from Minnesota as soon as I have answered the question of the minority leader.

If action on the farm bill can be completed at a reasonable hour tomorrow, the Senate could then proceed to a call of bills on the calendar as to which there is no objection. If discussion on the bill should continue through tomorrow and tomorrow evening, it may be necessary to take up the social-security bill, the conference report on the atomic-energy bill, and the conference report on the mutual-security bill, before proceeding to a call of the calendar.

Mr. JOHNSON of Texas. Mr. President, I wish to say publicly what I said privately to the majority leader. The Senate has facing it the call of the calendar, the social-security bill, and the conference report on the mutual-security bill, which we are prepared to proceed to consider. I hope the Senator from California will not insist that the Senate proceed to the consideration of the conference report on the atomic-energy bill until some of the other matters are acted on, such, perhaps, as the subversive bills which have been reported by the Committee on the Judiciary. I think there should be an opportunity to examine into what the conference committee has done in respect to the atomic-energy bill. There is no reason why the Senate cannot proceed to the consideration of other matters, before we launch into another discussion on atomic energy, and before Senators are familiar with the contents of the conference report.

Mr. KNOWLAND. I merely wanted to call to the attention of Senators the fact that the report of the conferees was available. The House has acted on both the mutual security bill and the atomic energy bill. That is a part of the program it was expected to complete before the Senate adjourned sine die. In fairness to the House, we cannot act on the resolution to adjourn until we have at least completed action on these major conference reports. That being so, I hope Senators will study the reports to which I have called attention.

I hope that by tomorrow we can dispose of the call of the calendar, and perhaps some of the other bills which have been discussed, but I do not wish to delay consideration of the atomic energy conference report for 3 or 4 days, and then find that the Senate is faced with an adjournment deadline.

Mr. JOHNSON of Texas. Of course, the Senator from California realizes that the House must also act on the social security bill and on the subversive bills, if they should go to conference. It seems to me there is no reason why the Senate could not proceed to the consideration of the social security bill, the mutual security conference report, and the subversive bills, and give some of us an opportunity to explore the very controversial field of atomic energy sufficiently perhaps to determine what ought to be done about it.

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

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

Mr. HICKENLOOPER. I suggest to the majority leader that this afternoon the House, by a voice vote, and without the necessity for extensive debate, and apparently satisfactorily to the House, adopted the conference report on the atomic energy bill. It therefore would seem, if the judgment of the House merits any consideration, that no extensive debate is required, in view of the extensive discussion the Senate had on the original passage of the bill. So I see no particular reason for anticipating extensive discussion or debate. I think a reasonable amount of discussion is in order, but it seems to me the Senate has ample precedent in the action of the other body, to which we might give credit for having used good judgment.

Mr. JOHNSON of Texas. If the Senate were to accept the judgment of the House, it would never be necessary to debate any measure once the House passed it. If we followed the suggestion of the Senator from Iowa, the matters to which the Senator has alluded could be brought up, and we could merely say that the House has already discussed them, and that that fact gives us good precedent for agreeing to them, and that we do not have to discuss or digest them, but should pass them in toto.

Mr. KNOWLAND. Of course, the language in the conference report which the House adopted is considerably different from the language passed by the Senate. Modifications of the amendments passed by the Senate are included in the conference report. I know Senators will want to study the conference report.

Mr. JOHNSON of Texas. I know my distinguished friend, the majority leader, does not subscribe to the theory that, because the House has passed certain measures overwhelmingly, the Senate ought to do likewise.

Mr. KNOWLAND. I did not suggest that, and I do not think the Senator from Iowa suggested that the Senate should agree to the conference report on that basis alone. He referred to my earlier remarks with reference to the House action, and he was merely calling my attention to the fact that the House had acted on the conference report.

Mr. HICKENLOOPER. Mr. President, if the Senator from California will yield, let me say that apparently the Senator from Texas misunderstood my statement of a moment ago, because I did not predicate it upon any such assumption as the one he raised. By no stretch of the imagination should he assume that I said that merely because the House of Representatives has adopted the conference report, the Senate should adopt the report without discussion. I clearly said that the House had adopted the conference report by a voice vote, but that undoubtedly the Senate would desire to discuss the conference report; and I think it is perfectly proper for the Senate to do so.

Mr. JOHNSON of Texas. That is correct.

Mr. HICKENLOOPER. So the Senator from Texas has misapprehended my position. I submit that I said no such thing. I think it perfectly proper for the Senate to discuss the conference report. I merely said that the other body had seen fit to adopt the conference report this afternoon by a voice vote, and I think that is a precedent which we might well consider, and that the judgment of the other body should be taken into consideration; and therefore I thought there was no reason to have in the Senate a long, thorough discussion of every jot and tittle of the conference report, such as occurred in the Senate a few days ago in connection with the bill.

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

Mr. KNOWLAND. I yield.

Mr. THYE. I regret that the Senator from California does not intend to have the Senate pass the farm bill tonight, but is willing to put over the bill until tomorrow. I do not think it possible to emasculate the bill any further than has already been done. So why does not the majority leader have the Senate take final action on the bill tonight? There is only one other provision of the bill about which I would raise any question, and it is on page 36, continuing to page 37, and relates to plant and animal diseases and pest controls and brucellosis. That is the only provision of the House bill in which there is any interest, and we could just as well act upon it tonight, instead of postponing until tomorrow final action on the bill.

Mr. KNOWLAND. Let me say that, as majority leader, I have certain responsibilities; and I am informed that

there are still at the desk approximately 22 amendments. Furthermore, I have been informed by Senators on both sides of the aisle that there will be considerable discussion of the amendments which remain to be acted upon. I do not think I violate any confidence when I say that the distinguished minority leader indicated that some Senators would wish to engage in considerable discussion on the so-called grasslands amendment. Having that information about those amendments, and having received similar suggestions from Senators on the other side of the aisle, as well as from some Senators on this side of the aisle, I felt that under the circumstances, it now being approximately 10:15 p. m., it might be preferable that we take a recess until tomorrow, and return tomorrow, at 10 o'clock in the morning after a good night's sleep, and then make progress on the bill, rather than continue now until perhaps 3 or 4 o'clock tomorrow morning, as no doubt would have to be done if we were to remain in continuous session until final action was taken on the bill.

Mr. THYE. Mr. President, I wish to refer for a moment to what the Senate has done this afternoon and this evening in amending the committee amendment. I understand that the next proposal will be to strike from the House bill all the text after the enacting clause, and to insert the Senate committee amendment as it will have been amended. However, in the committee amendment there is not at this time any grasslands amendment, such as is to be found in the substitute which the Senator from Vermont [Mr. AIKEN] and other Senators have joined in sponsoring. That is why I say that if the committee amendment, as it has been acted on this afternoon and this evening, is considered, it will be found that there is very little more in it for the Senate to be concerned with, because the committee amendment as it now stands is practically a shell, and it might be just as well for the Senate to take final action now, instead of waiting until tomorrow to act on it.

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other puposes.

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

Mr. KNOWLAND. I yield.

Mr. YOUNG. I desire to submit an amendment, and to explain it very briefly. The amendment is controversial.

Mr. KNOWLAND. I yield.

Mr. YOUNG. Mr. President, I send to the desk an amendment which is proposed to be offered by me, on behalf of myself, the Senator from Georgia [Mr. RUSSELL], the Senator from South Dakota [Mr. MUNDT], and the Senator from Mississippi [Mr. EASTLAND]. I ask that the amendment be printed and lie on the desk.

Briefly, the amendment will do this: For 1955, we shall have 82½ percent parity. In the years following we shall have flexible supports, as the administration calls them—supports from 75 percent to 90 percent.

This amendment provides that for 1956 and 1957 the support price shall be 90 percent of parity whenever the Secretary of Agriculture calls for or imposes either acreage allotments or quotas.

In short, the amendment says that from now on there will be an opportunity to prove whether flexible supports will solve the surplus problem. Of course, the proponents of flexible supports claim they will solve the surplus problem, and we are willing to give them a trial. However, whenever it is found necessary for the Secretary of Agriculture to impose either acreage allotments or quotas, 90 percent supports will be effective, under the provisions of this amendment.

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

Mr. KNOWLAND. I yield.

Mr. HUMPHREY. I send to the desk two amendments, to be printed and lie on the table. I shall call them up tomorrow.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

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

Mr. KNOWLAND. I yield to the distinguished minority leader.

Mr. JOHNSON of Texas. Mr. President, to the committee amendment I offer an amendment on behalf of myself and my colleague, the junior Senator from Texas [Mr. DANIEL].

Let me say that I have discussed the amendment with the chairman of the committee, with the Senator from North Dakota [Mr. YOUNG], and with various Senators on this side of the aisle.

It is my understanding that the amendment is identical in nature with an amendment adopted when the cotton acreage allotment bill was before the Senate.

This amendment merely provides that if there is any part of the 1955 wheat acreage allotment on which wheat will not be planted, and if it is voluntarily surrendered to the county committees, it shall be deducted from the allotment to such farms, and may be reapportioned by the county committees.

The language of this amendment is the same as the language of the amendment to the Cotton Allotment Act, and some persons felt that there might be certain small farms with small allotments which the farmers would not desire to use. If they did not desire to use such allotments, they could be returned to the county committees, which could redistribute them.

I hope the amendment will be satisfactory to the distinguished chairman of the committee and that he will agree to accept it.

Mr. AIKEN. Mr. President, this amendment does for wheat what we have already authorized for cotton. The provisions, as they relate to cotton acreage, have not been harmful for the year 1954, and we do not expect them to be harmful for 1955. It is against human nature to give up something, even if the one having it does not wish to use it. Furthermore, the number of acres that have been turned back has been comparatively small.

So I see no objection to the amendment, and it will give to wheat under acreage controls the same provisions we have already given to cotton without doing any particular harm.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted to the committee amendment by the Senator from Texas [Mr. JOHNSON], for himself and his colleague [Mr. DANIEL].

The amendment to the committee amendment was agreed to, as follows:

On page 30 of the committee amendment, after line 19, insert:

"SEC. 310. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection, as follows:

"'(f) Any part of any 1955 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage under subsection (c) of this section. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred, rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the 3-year base period: *Provided*, That notwithstanding any other provisions of law, any part of any 1955 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments.'"

Mr. AIKEN. Mr. President, to the committee amendment, I call up an amendment, which is submitted on behalf of myself and six other members of the Committee on Agriculture and Forestry, and I ask that our amendment to the committee amendment be stated as the pending question.

The VICE PRESIDENT. The amendment to the committee amendment will be stated.

The CHIEF CLERK. On page 24 of the committee amendment, it is proposed to strike out lines 4 through 12, inclusive.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Vermont to the committee amendment.

Mr. KENNEDY. Mr. President, I wonder whether the Senator from Vermont will accept the amendment I previously discussed with him, and which now is at the desk. The amendment authorizes the Secretary of Agriculture to make a full and complete study of the prices of

agricultural commodities and products thereof, with a view to ascertaining whether there is an unjustifiable spread between the prices received by the producers of such commodities and the prices paid by consumers of such commodities or products thereof, and whether legislation with respect thereto is needed in the public interest, and the Secretary of Agriculture is authorized and directed to report by March 1, 1955, his recommendations relative to such legislation, if any.

Mr. AIKEN. Mr. President, I believe the Secretary of Agriculture already has authority to do what the amendment would direct him to do.

I do not see any particular harm in the amendment. The Committee on Agriculture and Forestry had hoped to be able to do more itself, but it simply does not have the staff.

Mr. KNOWLAND. Mr. President, I do not like to object to the amendment being accepted at this time. I should like to make an inquiry as to whether or not this amendment has been printed and lies upon the table.

Mr. KENNEDY. I sent the amendment to the desk earlier in the evening, and I intended to offer it tomorrow. I discussed it with the Senator from Vermont, and I believe it to be unobjectionable.

Mr. KNOWLAND. I suggest to the Senator from Massachusetts that he have it printed and laid upon the table, because when the amendment purports to direct the Secretary to do something with respect to which he now has authority, I think we are at least expanding the situation somewhat, and since a good many Senators are absent pursuant to the prior announcement of the majority leader that we would not be taking up additional amendments, at least any which might involve any question, I should like the opportunity at least to have them look over the amendments.

Mr. AIKEN. Mr. President, I have not had an opportunity to discuss this amendment with any other members of the committee, which I think I probably should do. Neither have we discussed the subject with the Department of Agriculture. Perhaps it would be desirable that the Senator have his amendment printed so we can look at it in the morning, and we can then tell better what procedure we should follow.

Mr. ELLENDER. The Secretary now has the authority.

Mr. KENNEDY. Yes.

Mr. AIKEN. I think the Secretary has the authority now.

Mr. KNOWLAND. Now apparently the authority is permissive.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be received and printed, and will lie on the table.

Mr. KNOWLAND. I now yield to the Senator from Minnesota.

PRESERVATION OF THE DINOSAUR NATIONAL PARK AS A NATIONAL HERITAGE

Mr. HUMPHREY. Mr. President, it has recently come to my attention that the Senate Committee on Interior and Insular Affairs has reported favorably to the Senate S. 1555, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects. The bill is now on the calendar, order No. 2000. I rise to inform the Senate and the majority leader that I am opposed to the bill, and hope that he will not request the Senate to act on this very crucial and highly controversial bill during the closing days of the 83d Congress. The bill is opposed by all the conservation and sportsmen's groups in the Nation, as well as by all who are sensitive to the need for preserving our natural resources.

My term of office in the Senate of the United States has amply demonstrated that I am a strong advocate of the flood-control and hydroelectric programs of the Bureau of Reclamation. However, the Bureau is now planning the construction of two dams which I cannot support because the price of those projects is too high—and I refer to a cost to the American people much more than the amount of money appropriated by Congress. It would be a cost paid in the ruination of one of our most magnificent national parks. It would be a cost marked by a frightening reversal of 80 years of national conservation policy and the first successful invasion of our parks and monuments since the National Park Service was created in 1916.

It is well worth-while, I believe, to take a few minutes of the Senate's time for a presentation of the facts concerning this controversy which deeply concerns many of my constituents, and, I am certain, also deeply concerns the constituents of every other State.

The bill would authorize the Bureau of Reclamation to construct two dams—Echo Park and Split Mountain Dams in Dinosaur National Monument. They would be two units of the upper Colorado River storage project.

They would, however, be much more than that. They would be the ruination of a monument which is unique in its beauty, grandeur, and river trips. Once they were built, these two dams would be the precedent, the excuse for going into other national parks and monuments to construct still more dams, to cut down trees, to deface, to desecrate, to ruin.

Dams in Dinosaur National Monument might well be the Trojan horse in our world-famous, immensely popular national parks and monuments.

To some people, the national uproar over the prospect of building storage and hydroelectric dams in Dinosaur National Monument may seem peculiar and unexpected—perhaps even astonishing. To the naive, the project might appear remote from most of our citizens. The monument is in Colorado and Utah, and the Colorado River seems terribly far from Maine, or Florida, or even Minnesota.

Actually, there is nothing astonishing about nationwide opposition to dams in Dinosaur National Monument. There is, however, a great deal about it which is gratifying and encouraging. The opposition is indisputable proof that Americans know the value of their parks and monuments, and that they realize the vigilance necessary to protect them from destruction.

Public determination in every State to protect the national park system is healthful. As our civilization becomes more complex and artificial, more burdensome to mind and spirit, we Americans in ever greater numbers turn to the natural grandeur of our country for relaxation, for spiritual rejuvenation. It is no trivial sightseeing that takes millions of us to the parks and monuments of our country each year; it is, instead, a compelling desire to know at first hand the magnificence and the glory of this country as it has been through millions and millions of years.

And by the same token, the opposition to dams in the canyons of our parks and monuments is not trivial either. It is a sincere and informed opposition, intelligent and determined.

I was impressed recently by a contrast in human attitudes offered by a famous conservationist when he was speaking about the Dinosaur Monument situation. He reminded me that during a war, when bombs are falling out of the sky, even the most barbarous and despicable enemy will hide its paintings and its statues deep in caves to protect them. It will camouflage its famous buildings in the hope they may be spared destruction. But we, without any justification of necessity or inevitability, whack away at the spectacular monuments which nature has designed—monuments which are supreme and rare, and which never can be replaced.

The contrast is not a compliment to those responsible for it.

There is no reasonable doubt but that Dinosaur National Monument deserves every protection which Congress and the people can give it. Once better roads are built into the monument and other minimum facilities are available, it will become one of the most popular and prized units of the park system. And it will also be a permanent, valuable economic asset to the business interests of the area.

There is ample expert testimony as to the importance of Dinosaur National Monument. Newton Drury, the respected former Director of the National Park Service, has testified that it is "one of the great places of America" and that "there is no other place just like it." After a boat trip through the canyons of the monument, Frank Setzler, of the Smithsonian Institution, said of them: "Not only spectacular, but in several respects unique, and the finest of their kind in the whole of America." Frederick Law Olmsted, the famous landscape architect, spent may weeks in the monument, and concluded that the canyons of the Green and Yampa Rivers are "highly spectacular, beautiful, and of great variety." He goes on to say that the loss of values which would result from the construction of Echo Park Dam would be "catastrophically great."

Proponents of the dams in the monument do not generally deny that it is a glorious place. Instead, they skitter somewhat precariously from argument to argument as to why they must have

the dams, or why the dams would not really affect the monument adversely after all. I must say that I find all their arguments peculiarly unconvincing, and I share the haunting, worrisome wonder as to why the more rabid advocates of Echo Park Dam really insist on it.

The proponents say that the need to store water on the Colorado River and its tributaries must take precedence over anything else, but they fail to convince anyone except themselves that the two units in Dinosaur National Monument are necessary or desirable parts of the project for the upper Colorado. I firmly believe that the Bureau of Reclamation has never made an adequate, impartial study of alternative sites, with a genuine will to save the monument.

So far as I know, the Bureau has paid scant attention to the qualified advice from independent sources that the dams in the monument are not necesary for regulation of the river, not necessary for adequate hydroelectric power, and not necessary for irrigation. It has paid scant attention to the carefully worked-out alternatives of Gen. U. S. Grant III, an eminent retired officer of the Army Corps of Engineers—alternatives which the general, with a lifetime of engineering experience behind him, says will store more water and produce more annual firm power at a saving of almost $60 million. I might add that the Bureau of Reclamation is not in a very good position to attack the general's figures—he has used the Bureau's.

Also, the Bureau of Reclamation and the other proponents of the upper Colorado River storage project have other and most impressive sources of opposition to any immediate congressional authorization on the basis of present knowledge and planning. It is well known that the distinguished water policy task force of the Hoover Commission is strongly in favor of a cautious approach to this project, and the Engineers Joint Council—the most authoritative voice in American engineering—takes precisely the same position.

These authorities, Mr. President, do not represent societies of bird watchers or fossil fanciers. I respect these activities, incidentally, but I recognize many of our colleagues do not. Rather they constitute qualified expert advice. It is advice which reiterates the fact that these dams are not necessary for regulation of the river, not necessary for hydroelectric power, and not necessary for irrigation.

During the last year or so, whenever the Bureau has attempted to answer its critics, it has used the contention that extra evaporation at alternative sites was too great, and that therefore it must continue to favor Echo Park Dam as the first unit of the first phase of the project, and Split Mountain Dam for inclusion in a later phase. During hearings before a House committee just last January, Under Secretary of the Interior Tudor went so far as to say that—

The increased losses of water by evaporation from alternative sites is the fundamental issue upon which the Department has felt it necessary to give any consideration to the Echo Park Dam and Reservoir.

Without being harsh, I think I can say that if the evaporation argument is the best that the proponents can come up with as their excuse for going into the monument, it is an indication of the poverty of their excuses. In the first place, the whole question of evaporation is most controversial and debatable among qualified engineers. In the second place, evaporation data for the areas involved in this particular situation are so meager as to be highly questionable. And, in the third place, the Department of the Interior has just about talked itself out of its own argument. When Under Secretary Tudor was originally testifying, he objected to the so-called high Glen Canyon Dam as an alternative to Echo Park and Split Mountain Dams because, he said, high Glen Canyon would mean a loss of 165,000 acre-feet of water. Then, in March of this year, he corrected the 165,000 figure to 70,000 acre-feet—still a lot of water. And finally—or finally, so far as we now know—he again corrected the figure. This time he said that the alternative to Echo Park Dam would evaporate only 25,000 more acre-feet.

Obviously, if the Bureau of Reclamation, in preparing testimony for a congressional hearing on a major project, first says 165,000, then 70,000, and next 25,000, we can only conclude that the evaporation factor is truly unreliable. As an excuse for building dams in the monument, and for threatening the laws and traditions which protect the entire park system, evaporation may turn out to be only a sad illusion.

Dinosaur National Monument was first established as an 80-acre tract by President Wilson for the purpose of safeguarding a remarkable concentration of dinosaur fossils. Then, as the years went by, it was realized that the adjacent canyons of the Green and Yampa Rivers were spectacular, and that the river trips down these canyons were unique. The result was the enlargement of the monument to 209,744 acres by President Roosevelt, for the precise purpose of protecting the canyons which Echo Park and Split Mountain Dams would now flood. To claim, as some do, that we should not object to these dams because they would not flood the dinosaur fossils is to ignore the intent and purpose of enlarging the monument.

In an effort to keep the record straight, I would like also to make one additional comment on the Presidential proclamation enlarging the monument. The proponents of the dams sometimes claim that they were promised reclamation projects in the monument at the time it was enlarged, and that the proclamation so provides. As one studies the pertinent documents, it is quite apparent that no such promise could have been authoritatively made, since the letter of instructions from the Secretary of Interior, dated June 8, 1936, expressly prohibited the National Park Service from making commitments on the subject of water development. It could not conceivably commit the Government to reclamation projects in the national monument, since that is the exclusive province of Congress.

The 1938 proclamation allows for one reclamation withdrawal, which goes back to 1904. It is a specific reference to the Brown's Park site, which is near the northern edge of the monument, and 45 miles up the river from the now proposed Echo Park site. Insofar as the people of the area wanted the proclamation to allow for a reclamation project, which Congress might or might not later authorize, we can only assume that the Browns Park site was the answer satisfactory to them. However, it is a total distortion to claim now that allowance for a reservoir at Browns Park, which could easily be excluded from the monument without destroying the national park value of the area, is justification for the Bureau of Reclamation to build dams many miles way in the very heart of the monument.

I am sure that there is no Member of the Senate who does not wish that the great States of the upper Colorado Basin may grow in all the riches and good things of the American life. And I am sure that all of us recognize that this growth is dependent on the wise use of the available water. When the time comes to authorize the best possible program for the Colorado River, I believe that the States most directly involved will happily discover how many friends they have in Congress.

But in their planning for the development of their water resources, I beg the congressional representatives of these States to take into consideration the factors involved which are of great concern to all the other States—and, indeed, to the United States as a Nation, of which the Colorado States are themselves such an important part—and I address myself exclusively to the issue of keeping Dinosaur National Monument and all the rest of the national park system inviolate, as a sacred trust for the enjoyment of all the people.

I fervently hope that the final answer will be a sound, admirable project in operation on the upper Colorado, and an unimpaired—indeed, an ever stronger—national park system ready to meet the growing desire of the American people to find their rest and recreation in the midst of our unparalleled heritage of natural splendor.

COMMITTEE SERVICE

Mr. JOHNSON of Texas. Mr. President, I have suggested the appointment of the junior Senator from Massachusetts [Mr. KENNEDY] to the Select Committee on Small Business. This appointment should meet with the enthusiastic approval of all who are interested in the problems of small business. The junior Senator from Massachusetts has displayed a high degree of knowledge of the problems facing small business, and a deep devotion to the principles of free enterprise. It was the opinion of all those whom I consulted

that he would make a genuine contribution to the deliberations of this important committee. He is an active, vigorous member of the minority, and I have every confidence that this appointment will be a valuable addition to the minority side of the committee.

The PRESIDING OFFICER. The Chair appoints the Senator from Massachusetts [Mr. KENNEDY] to fill the vacancy on the Committee on Small Business occasioned by the death of the Senator from Wyoming, Mr. Hunt.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

The following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

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

S. 1887. A bill to amend sections 3182 and 3183 of title 18 of the United States Code so as to authorize the use of an information filed by a public prosecuting officer for making demands for fugitives from justice (Rept. No. 2362); and

H. R. 9785. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex. (Rept. No. 2363).

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

S. 675. A bill to amend section 2312 of title 18 of the United States Code so as to extend the punishment of the transportation of stolen motor vehicles in interstate or foreign commerce to trailers or semitrailers, and for other purposes (Rept. No. 2364).

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 3848. A bill to amend the Agricultural Marketing Agreement Act of 1937 so as to remove domestic trade barriers affecting milk and milk products; to the Committee on Agriculture and Forestry.

By Mr. KENNEDY:

S. 3849. A bill for the relief of Giovanni De Bilio; and

S. 3850. A bill for the relief of Frank Bertolino; to the Committee on the Judiciary.

AGRICULTURAL ACT OF 1954—AMENDMENTS

Mr. SCHOEPPEL submitted an amendment intended to be proposed by him to the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes, which was ordered to lie on the table and to be printed.

Mr. KENNEDY submitted an amendment intended to be proposed by him to Senate bill 3052, supra, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted an amendment intended to be proposed by him to Senate bill 3052, supra, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted an amendment intended to be proposed by him to Senate bill 3052, supra, which was ordered to lie on the table and to be printed.

Mr. YOUNG (for himself, Mr. RUSSELL, Mr. MUNDT, and Mr. EASTLAND) submitted an amendment intended to be proposed by them, jointly, to Senate bill 3052, supra, which was ordered to lie on the table and to be printed.

REVISION OF INTERNAL REVENUE LAWS—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 6440) to revise the internal revenue laws of the United States, which was ordered to lie on the table and to be printed.

AMENDMENT TO SENATE RESOLUTION 301 TO CENSURE THE JUNIOR SENATOR FROM WISCONSIN

Mr. MORSE. Mr. President, it appears that my amendment with reference to Senate Resolution 301 has never been printed in the RECORD. I ask unanimous consent that it be printed in the RECORD.

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

On page 1, lines 4 and 5, strike out the words "and such conduct is hereby condemned.", and insert in lieu thereof the following: "because the said Mr. McCARTHY—

"(a) declined to comply with a request made by letter on November 21, 1952, by the chairman of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration, that he appear before the subcommittee to supply information concerning certain specific matters involving his activities as a Member of the Senate;

"(b) unfairly accused his fellow Senators GILLETTE, MONRONEY, HENDRICKSON, HAYDEN, and HENNINGS of improper conduct in carrying out their duties as Senators;

"(c) as chairman of a committee resorted to abusive conduct in his interrogation of Gen. Ralph Zwicker, including a charge that General Zwicker was unfit to wear the uniform, during the appearance of General Zwicker as a witness before the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations on February 18, 1954;

"(d) received and made use of confidential information unlawfully obtained from a document in executive files upon which document the Federal Bureau of Investigation had placed its highest classification; and offered such information to a lawfully constituted Senate subcommittee in the form of a spurious document which he falsely asserted to the subcommittee to be 'a letter from the FBI';

"(e) openly invited and incited employees of the Government to violate the law and their oaths of office by urging them to make available information, including classified information, which in the opinion of the employee would be of assistance to the junior Senator from Wisconsin in conducting his investigations, even though the supplying of such information by the employee would be illegal and in violation of Presidential order and contrary to the constitutional rights of the Chief Executive under the separation-of-powers doctrine;

"(f) attempted to invade the constitutional power of the President of the United States to conduct the foreign relations of the United States by carrying on negotiations with certain Greek shipowners in respect to foreign trade policies, even though the executive branch of our Government had a few weeks previously entered into an understanding with the Greek Government in respect to banning the flow of strategic materials to Communist countries; and

"(g) permitted and ratified over a period of several months in 1953 and 1954 the abuse of senatorial privilege by Mr. Roy Cohn, chief counsel to the Permanent Investigations Subcommittee of the Senate Committee on Government Operations of which committee and subcommittee the junior Senator from Wisconsin is chairman, Mr. Cohn's abuse having been directed toward attempting to secure preferential treatment for Pvt. David Schine by the Department of the Army, at a time when the Army was under investigation by the committee.

"SEC. 2. It is the sense of the Senate that such conduct is hereby condemned."

LETTER ADDRESSED BY SENATOR BYRD TO THE ADMINISTRATOR OF THE HOUSING AND HOME FINANCE AGENCY

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter I have addressed to the Honorable Albert M. Cole, Administrator of the Housing and Home Finance Agency.

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

AUGUST 6, 1954.

Hon. ALBERT M. COLE,
Administrator, Housing and Home Finance Agency, Washington, D. C.

MY DEAR MR. COLE: The Washington Post and Times Herald of Sunday, August 1, 1954 (p. 3-R), quotes Mr. Norman P. Mason, Federal Housing Administrator, as saying:

1. The Government will not blackball all companies which made windfall profits on federally insured mortgages.

2. Some companies will be permitted to build new public housing projects if they were not involved in sharp practices.

3. The Shelby Construction Co., Inc., New Orleans, is the first company to benefit from the policy.

4. FHA field offices have been ordered to resume the processing of this company's applications to build projects in Louisville, Kansas City, Cincinnati, Columbus, Indianapolis, New Orleans, Shreveport, and Philadelphia.

5. The Shelby Co. was listed last month as having made a windfall profit of $1,273,500 on the Claiburne Towers project at New Orleans.

6. Three officers of the company—Jemile Bluestein, Lewis Leader, and Paul Kapelow—also were listed as having made a windfall of $3,477,000 on the construction of the Parkchester apartment development at New Orleans.

Your attention is invited to the Housing and Home Finance Agency's statement of June 11, 1954 (HHFA-OA No. 675), releasing an interim report on the investigation of section 608 FHA-insured mortgages on

rental-housing developments, from William F. McKenna, Deputy HHFA Administrator, in charge of the investigation into FHA.

This statement, in part, said:

1. The report contained names and amounts of over 200 corporations, involving about 70 section 608 developments, in which FHA-insured mortgage loans exceeded costs, resulting in windfalls to sponsors of approximately $40 million.

2. All cases have been or are being referred to the Department of Justice for such civil or criminal proceedings as may be indicated by the circumstances in each case.

3. Many, if not most, of these cases involved other substantial windfalls not reflected in the $40 million total.

4. The HHFA investigation disclosed various methods whereby other monetary gains were obtained by owners over and above authorized earnings from actual project investments, including padding of cost figures by using excessive prices for the cost of construction and for the purchase of land.

5. Various devices were also used for the distribution of windfalls, including "the declaration of 'dividends' out of mortgage proceeds," and redemption of stock at inflated prices, exorbitant management fees, excessive payments for services to corporations owned by the sponsors, and loans by the corporations to their principals which will be paid when and if the principals who dominate the corporations decide.

6. The $40 million windfall figure did not include rents collected before first payments on FHA-insured loans, long-term land leases between sponsors and principal stockholders as individuals, or use of multiple corporations with the same owners.

7. Certain promoters were aided and guided by former top FHA officials in windfall practices.

As chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, and acting under authority of section 601 of the Revenue Act of 1941, I am requesting at your earliest convenience the following information with respect to current FHA policies and related matters:

1. A statement as to whether the article in the Washington Post and Times Herald of August 1 (p. 3-R) accurately reported the current FHA policy; and if so, a copy of any official promulgation of such policy would be appreciated.

2. A statement of FHA's distinction between any kind of a windfall made by a company under an FHA-insured construction loan and "sharp practices," if it makes such a distinction.

3. A statement as to whether, in accordance with the HHFA release of June 11 (HHFA-OA No. 675), the cases of any or all of the following have been referred to the Department of Justice for such civil or criminal action as may be indicated by the circumstances in each case: Claiborne Towers, Inc., Governor Claiborne Apartments, Inc., Parkchester Apartment Development, Little Street Homes, Inc., Emile Homes, Inc., Shelby Construction Co., Paul Kapelow, Lewis Leader, Emile Bluestein.

4. A statement summarizing Department of Justice reports received to date by FHA on all of the above-mentioned cases.

5. A statement as to whether any or all of the above corporations, companies, developments, or their officers have been connected with any project for which loans have been insured by FHA, where:

(a) Cost figures were padded by using excessive prices for cost of construction and purchase of land;

(b) "Dividends" were declared out of mortgage proceeds;

(c) Stock was redeemed at inflated prices;

(d) There were exorbitant management fees;

(e) There were excessive payments for services to corporations owned by the sponsors;

(f) Loans were made by the corporations to their principals to be paid when and if the principals who dominate the corporations decide;

(g) Rents were collected before first payments on FHA-insured loans were made;

(h) There were long-term land leases between sponsors and principal stockholders as individuals;

(i) Multiple corporations with the same owners were used; or

(j) Promoters were aided and guided by former top FHA officials in windfall practices.

6. A list of all corporations, companies, developments, and their officers found by HHFA, or any other official investigation reported to you, to have made windfalls from any loan insured, guaranteed, or made by any Federal agency, along with:

(a) A statement in each case as to whether it has been referred to the Department of Justice for such civil or criminal proceedings as may be indicated; and

(b) A statement summarizing any Department of Justice report on each case.

7. A list of all corporations, companies, developments, and their officers, for which FHA, since April 12, 1954, has approved applications for loan insurance, indicating the amount of insurance involved and giving for each the information requested in question No. 5 and its subquestions 5 (a) through 5 (j).

Very truly yours,

HARRY F. BYRD, *Chairman.*

RESOLUTION OF VETERANS OF FOREIGN WARS OF THE UNITED STATES IN FAVOR OF OUTLAWING COMMUNISM

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have a resolution adopted by Post 7704 of the Veterans of Foreign Wars, of Renville, Minn., printed in the body of the RECORD and appropriately referred.

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

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

VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
RENVILLE POST, NO. 7704,
Renville, Minn.

DEAR SENATOR HUMPHREY: At a meeting of Renville Post, No. 7704, VFW, held July 20, the members assembled voted unanimously for the following motion:

"Moved that we urge our Senators and Representatives to support any measure that would lead to outlawing communism."

Communists are criminals and should be punished, not protected. Communists today enjoy the same privileges as others do. We feel this is not fair nor just and the party should definitely be outlawed.

Sincerely yours,

ELMER G. KEMNITZ,
Adjutant.

Attest:

LEA VERNE HANSON,
Commander.

DALE D. HAEN,
Third District Quartermaster.

RECESS TO 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 25 minutes p. m.) the Senate took a recess until Tuesday, August 10, 1954, at 10 o'clock a. m.

CONFIRMATION

Executive nomination confirmed by the Senate August 9 (legislative day of August 5), 1954:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mrs. Pearl Carter Pace, of Kentucky, to be a member of the Foreign Claims Settlement Commission of the United States.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 9, 1954

The House met at 12 o'clock noon.

Rabbi Morris Teller, D. D., spiritual leader of the South Side Hebrew Congregation, Chicago, Ill., offered the following prayer:

Our Heavenly Father, in these soul-stirring times we need Thy guidance and Thy blessing. Serious is the challenge that freedom-loving America faces. We seek peace but we must muster all available forces to safeguard life and liberty from possible onslaughts of godless, ruthless, unprincipled aggressors. We must develop superior military might and diplomatic dexterity. But we must also be filled with Thy holy spirit. To win friends among wavering nations and to influence those that are on our side to continue to side with us we must manifest by our own righteous conduct the superiority of the American way of thinking and living.

Bless Thou our glorious land, our leaders and representatives. Endow them with insight and foresight, religious faith, and moral fortitude. May America under God remain a citadel of freedom and a watchtower from which rays of light and hope shall be beamed to those who are now living in darkness and despair.

Hasten the day when the millennial hope of universal, lasting peace will prevail throughout the world with justice and freedom for all people. Amen.

The Journal of the proceedings of Thursday, August 5, 1954, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 26, 1954:

H. R. 7434. An act to establish a National Advisory Committee on Education;

H. R. 7601. An act to provide for a White House Conference on Education; and

H. R. 9040. An act to authorize cooperative research in education.

On July 27, 1954:

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. 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;

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;

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

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. 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;

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

On July 28, 1954:

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. 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.

On July 29, 1954:

H. R. 130. An act to amend the act approved June 27, 1947 (61 Stat. 189);

H. R. 6725. An act to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps;

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;

H. R. 8571. An act to authorize the construction of naval vessels, and for other purposes; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

On August 2, 1954:

H. R. 7839. An act to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities.

On August 3, 1954:

H. R. 7128. An act to amend the act entitled "An act to provide an immediate revision and equalization of real-estate values in the District of Columbia; also to provide an assessment of real estate in said District in the year 1896 and every third year thereafter, and for other purposes," approved August 14, 1894, as amended.

On August 4, 1954:

H. R. 6788. 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.

On August 5, 1954:

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

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over employment security administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes.

On August 9, 1954:

H. R. 6080. An act to authorize the appropriation of funds for the construction of certain highway-railroad grade separations in the District of Columbia, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8152. An act 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.

The message also announced that the Senate insists upon its amendment to the foregoing bill and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CAPEHART, Mr. BRICKER, Mr. IVES, Mr. MAYBANK, and Mr. ROBERTSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1702. An act for the relief of Emilia Pavan;

S. 2745. An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes; and

S. 2746. An act to provide for the termination of Federal supervision over the property of certain tribes and bands of Indians located in western Oregon and the individual members thereof, and for other purposes.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55–5.

PROCEEDINGS AGAINST FRANCIS X. T. CROWLEY

The SPEAKER laid before the House the following communication:

AUGUST 5, 1954.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives, Washington, D. C.

In re Francis X. T. Crowley, cited for contempt of the House by House Resolution 541, 83d Congress.

DEAR MR. SPEAKER: On May 12, 1954, pursuant to House Resolution 541, 83d Congress, you certified to me the contempt of the above individual for refusing to answer questions before the Committee on Un-American Activities on June 8, 1953.

On July 23, 1954, that committee by Report No. 2472, reported that Crowley on June 28, 1954, appeared voluntarily before it in public session and answered all questions which he had previously refused to answer and, in addition, voluntarily gave extensive information concerning the operation of the Communist conspiracy in this country. That committee further reported that it was the sense of the committee that Crowley had thereby purged himself of his previous contempt of the House of Representatives.

House Resolution 681 of July 23, 1954, resolved that the Speaker certify to the United States attorney House Report No. 2472, referred to above, "to the end that legal proceedings based upon the matter certified by the Speaker pursuant to House Resolution 541, 83d Congress, 2d session, against the said Francis X. T. Crowley may be withdrawn and dropped in the manner and form provided by law."

In my opinion this action by the committee and by the House has the effect of withdrawing the original citation of Crowley to my office and of relieving me of the statutory duty to put the matter before th grand jury, as provided by title 2, United States Code, section 194.

Inasmuch as Crowley has purged himself, and in view of the wish of the House, expressed in House Resolution 681, that contempt proceedings against Crowley be dropped, I shall not present the matter to the grand jury and I shall close the prosecution on my records.

Sincerely,

LEO A. ROVER,
United States Attorney.

(Copy to Hon. HAROLD H. VELDE, chairman Committee on Un-American Activities, House of Representatives, Washington, D. C.)

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

WHAT IS OUR FOREIGN POLICY?

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MCCORMACK] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, I make the following remarks in no partisan sense. The danger that confronts the free world calls for unity. If we are to be listened to by our friends as well as our foes, we must speak with one voice. And that voice must be the autochthonous, the genuine American voice.

In all earnestness I ask, What is our present foreign policy? With this question I make vocal what many of our fellow citizens and even our allies would like to ask themselves. I will not say that there is confusion. I will not say that there is lack of leadership. I will not say that there is no coordination. If I made any such accusation, I would at once be assailed as partisan, but with many other Americans. I seek enlightenment. I need information. Our people need both light and guidance.

We reduced our appropriations for national defense. We were made to believe that there was no danger to our national security in the reduction because we could counter with massive retaliation. Subsequently, however, we were told by our military and others that we could not depend on the efficacy of such massive retaliation.

Before the fall of Dien Bien Phu we were told that if Dien Bien Phu fell, we would be faced by a grave danger in southeast Asia and the parallel of the "falling dominoes" was made by the President. Dien Bien Phu fell and then we were told that the fall was expected and that it did not necessarily mean that all of French Indochina would also fall.

We went to Korea to fight on the basis of United Nations principles, and Korea is to us a United Nations question. Suddenly we pull the Korean question out of the United Nations and allow ourselves to be drawn into another conference, first in Berlin, and then in Geneva. Why did we not insist that the Korean question be taken up by the United Nations?

We went to Berlin with the promise that we would not, under any circumstance, recognize Red China. But in Geneva we sat across the table with Red China. We listened to the vitriolics of Chou En-lai. We were in the same conference room with the delegates of Red China. To the peoples of Asia who do not understand the nuances of diplomacy, Red China is now one of the Big Five, and in the psychological warfare now raging in Asia we must chalk this up as another Communist victory.

We consented to a conference in Geneva in order that we could make demands on Soviet Russia and Red China. But we consented to a political conference on Indochina while military operations in Dien Bien Phu were decidedly going against France. How did we expect to make demands on a victorious enemy? Could a man who is down and held by the throat say to his opponent who is on top, "I demand that you release your hold"?

We certainly knew that nothing would come out of Geneva. But we went there, and after having failed we gathered our marbles and left. But when England and France threatened us with a possible rift in western unity, we rushed back to Paris and then sent our Under Secretary of State, whom I admire very much, upon instructions, went back to Geneva to do what? To sanction with his presence whatever France and England had already presumably agreed to with Red China and Soviet Russia in advance.

We are against the admission of Red China in the United Nations. This is a settled policy—or at least we thought it was. That is, until Churchill and Eden came to Washington, and to checkmate them we make the threat that, if they insist on Red China's entry in the U. N., we will get out the back door as Red China enters through the front door. Are we getting ready again to gather our marbles when we are defeated and then again as in Geneva come back crestfallen and discredited?

In southeast Asia we need the friendship and the support of the Asian peoples. We underscore the fact that we believe in equality. But a series of military talks are held to study and discuss the defense of southeast Asia and we consent to an exclusive meeting of five western powers, excluding loyal allies like the Philippines and Thailand, and making the Asian peoples believe what Peiping and Moscow tell them that the white man is preparing to invade Asia.

As a nation we are reared in the principle that all men have the inalienable right to be free. But with our actions in southeast Asia as well as in Africa we weaken the faith of the liberty-loving peoples of the world in us. By supporting France we place ourselves in the equivocal position of supporting colonialism, the same colonialism that our forefathers fought and which is repugnant to every true American.

On the one hand we have our NATO commitments and we must live up to them by not opposing the colonial policies of the European colonial powers. On the other, we have our history and our tradition, and we must make the Asian peoples feel that we are supporting their libertarian ideals. One attitude clashes with the other and as a result of our mamby-pamby stand we run the risk of alienating both the Europeans and the Asians. Shall we always try to carry water on both shoulders or should we not now decide to strike out a policy that is morally unassailable and in keeping with American tradition and history?

There must be a way out of this maze of contradictions. Our people want direction. There is a crying need for more clarity in the enunciation of our foreign policy. We must know where we are going. Our objective is clear and unmistakable: our national security. But someone must tell us how best to achieve it. There must be one voice, not many and different. Those who are in the majority must tell us whose voice it is that has the authority of leadership and the finality of authority. Let them agree on one direction and let them decide whose voice it is that they want the people to hear and heed. Leadership that is hydraheaded and multilingual is not leadership. It is confusion.

America, today, riven by dissensions, weakened by suspicion, confused by mutual recriminations, stands as it were before our leaders in search of answers to so many questions that baffle its mind and gnaws at its heart. I am one of the millions, Mr. Speaker, and for and in their behalf I ask: Whither are we going? What is our definitive foreign policy?

DELIVERY OF MAIL TO KOREA

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

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

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I have here in my hand a letter from a soldier in Korea. In fact, it is a letter signed by 11 soldiers who are serving their country. I do not know these men—some of them may be constituents of any Member of Congress, perhaps some of the Members will recognize these names as being young men from their own home communities.

But I do recognize the seriousness of the situation to which they are calling my attention, and your attention. And that is the reason why I am directing the attention of the House of Representatives to a situation which needs correcting, and I am calling upon other Members to join with me in seeing that this situation is changed—soon.

Let me read you this letter. It tells the story, and I might add a story that anyone who has ever been away from home can understand. This letter is dated July 27, 1954, and comes from APO 25, care of Postmaster, San Francisco, Calif. It reads:

> DEAR MR. JONES: I am writing for myself and for some other men in this organization to bring to your attention some facts about the very poor mail situation in Korea. It's like this. The mail just isn't coming through. We don't think too much about it being delayed but much of it never reaches here. It is the same with my letters going to the States, in that they also do not receive a large portion of my letters. This has been the situation for some time. It seems as though we can't do anything about it over here.
>
> Myself, I have been in Korea 1 year. I have used the number system since I first came to Korea. There have been many letters that I never received and many of mine which aren't received at home. In the last 2 months I am missing about 20 letters of which no trace will ever be found. Some of the guys may be missing more than that. I have never written to my Congressman before. I feel that this matter is worthy of being brought to your attention and we would appreciate whatever help you could give us in clearing up this matter. If the morale of the Army in Korea is to remain high this matter should be given someone's attention at once. Thanking you, we remain,
>
> Sincerely yours,
>
> S/Sgt. Thomas J. Taylor, Pfc. Nathaniel Wingo, Cpl. Stanley S. Rogers, Pfc. James A. Bibbins, Pfc. Ray E. Frogge, Pfc. Harold E. Miner, Cpl. William C. Leak, Pfc. Darrell D. Kurth, K. J. Mattman, Sgt. Tony Carter.

That is the story, friends. Not important to some, including perhaps those people who are responsible for seeing that the mail does get through, but tremendously important to those young

men who are looking forward to letters from loved ones at home; and to those loved ones at home who are anxious to hear from these young men.

I am calling this matter to the attention of the Office of the Secretary of Defense trusting that they can place the responsibility where it belongs, and also to the Office of the Postmaster General requesting that a proper investigation be made and a report furnished to my office. If I may have the cooperation of other Members of Congress who are interested in seeing that conditions are made as favorable as possible for our boys in the service, I feel certain that this situation can be cleared up in short order.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 490)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report of the National Advisory Council on International Monetary and Financial Problems, submitted to me through its Chairman, covering the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development from April 1, 1952, to March 31, 1954, and the participation of the United States in the fund and the bank from October 1, 1953, to March 31, 1954. This report has been prepared in accordance with the requirements of sections 4 (b) (5) and 4 (b) (6) of the Bretton Woods Agreements Act.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 9, 1954.*

REPORT OF CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 489)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on the Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of section 1102 of the Classification Act of 1949, I am transmitting herewith the report of the Civil Service Commission under that act for the period January 1, 1951, to June 30, 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 9, 1954.*

CALL OF THE HOUSE

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

The SPEAKER. Obviously, a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 136]

Barden	Hays, Ohio	Prouty
Belcher	Hill	Rains
Bentley	Hillings	Regan
Bentsen	Hruska	Rivers
Boggs	Kilburn	Roosevelt
Boykin	Lantaff	Scrivner
Busbey	Latham	Secrest
Chatham	LeCompte	Sheehan
Clardy	Lucas	Sutton
Condon	Lyle	Thompson, Mich.
Cotton	McCormack	Thompson, Tex.
Cretella	Machrowicz	Vinson
Curtis, Nebr.	Mailliard	Wainwright
Dies	Mason	Weichel
Dolliver	Nelson	Wheeler
Dorn, S. C.	Norblad	Withrow
Evins	O'Brien, Mich.	Wolcott
Golden	Patten	Yates
Gubser	Patterson	
Gwinn	Powell	
Halleck	Preston	

The SPEAKER. On this rollcall 368 Members have answered to their names, a quorum.

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

TEMPORARY SALARY INCREASES AND RECLASSIFICATION STUDY OF POSTAL FIELD SERVICE EMPLOYEES AND POSITIONS

Mr. HAGEN of Minnesota. Mr. Speaker, under rule XXVII of the House, I call up motion No. 9, to discharge the Committee on Rules from the further consideration of House Resolution 590, providing for the consideration of the bill (H. R. 9245) to establish a joint committee of Congress to study postal field service reclassification, to increase the rates of basic compensation of postmasters, officers, and employees in the postal field service pending reclassification pursuant to recommendation of such joint committee, and for other purposes.

The SPEAKER. Did the gentleman from Minnesota [Mr. HAGEN] sign the petition?

Mr. HAGEN of Minnesota. Yes, Mr. Speaker; I was No. 1.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, the Speaker shall recognize the Representative from Minnesota, HAROLD C. HAGEN, or the Representative from Pennsylvania, ROBERT J. CORBETT, or the Representative from Wisconsin, GARDNER R. WITHROW, 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. 9245) to establish a joint committee of Congress to study postal field service reclassification, to increase the rates of basic compensation of postmasters, officers, and employees in the postal field service pending reclassification pursuant to recommendations of such joint committee, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by a Member of the House requesting the rule for consideration of said H. R. 9245, and a Member who is opposed to said bill to be designated by the Speaker; the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except those offered by direction of the Committee on Post Office and Civil Service. Amendments offered by direction of Committee on Post Office and Civil Service may be offered to any part of bill but shall not be subject to amendment. 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 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. This special order shall be a continuing order until the bill is finally disposed of.

The SPEAKER. Under the rule, the gentleman from Minnesota [Mr. HAGEN] is recognized for 10 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, I ask recognition for the 10 minutes in opposition to the resolution.

The SPEAKER. As the chairman of the committee which the House is being asked to discharge from further consideration of this resolution, the gentleman is recognized for 10 minutes.

The Chair recognizes at this time the gentleman from Minnesota [Mr. HAGEN].

Mr. HAGEN of Minnesota. Mr. Speaker, as author of the discharge petition No. 9, I am grateful to 217 Members of the House who signed it, to others who were ready and willing to sign it, and to most of the rest of the Members who wanted to or would have liked to sign. So I say thanks to all of you.

Because of the situation as it is, and as it has been clarified or may be clarified, many of you will and perhaps you should forsake the Corbett bill and vote for some new so-called compromise bill if one should be offered, either later today, or in a motion to recommit, or in a conference report, if one is later brought to the House floor.

You all are, of course, masters of your own decision and you vote here, subject only to your conscience.

You need not any word from me, or anyone else, to release you from your commitment to the Corbett bill. However, if anyone here feels that he, in view of his loyalty to me in this long and sometimes arduous fight to secure this petition and this vote wants to change, then I say, I do release you.

Perhaps some of you are more practical than I am. Yet some of you may not be as familiar with the pressures pro and con on this bill and can more readily shift your vote to the new compromise which may be more acceptable to the leadership. If there is no acceptable further compromise, of course, the bill after it is passed will go to the Senate and to later conference. If the leadership so desires and is willing, a new compromise bill will come back here later for further consideration and action.

Regardless of how you may vote, I want to assure you of my good will and my appreciation of your help in these successful efforts to finally get an opportunity to vote for this small pay increase for postal workers.

Furthermore, by the success of these efforts today, the road will be paved for

those of us who also want to give a pay raise to all Federal workers and to our own loyal hard-working employees here on Capitol Hill. Therefore, I think a pay bill for classified workers should follow right behind this measure.

However, as for myself, being the father of the so-called Corbett bill and discharge petition and as the captain, so to speak, of the ship which has had a rough voyage through perilous seas and sometimes treacherous waters, I shall stay with the Corbett bill to the last minute and until such time as an acceptable compromise may be offered by the leadership, or anyone who may be interested in getting through this Congress an acceptable pay bill for postal workers.

I want to thank you for your wonderful support and assistance in making it possible to bring up here today this opportunity for a vote on a postal pay bill. This is the first and only time we have had an opportunity to get a straight and clear vote on a pay bill. Your support and help have been most valuable to us during the past many weeks.

So I say let us approve this rule and this bill, which will be explained in full, of course, during the 1 hour of debate. Let us approve now overwhelmingly this rule, so that we can show everybody who may be concerned that this House strongly desires and insists that a postal pay bill be approved in the Congress, without reservation and without conditions.

Therefore, I plead with you to support and vote for this rule and for the bill.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I know of no Member of this body that is opposed to a reasonable postal pay increase bill. Only 2 weeks ago I voted and I think nearly every Member of this body voted for a postal pay increase bill which would have given postal workers a 5-percent increase with a $200 minimum, and hourly rate employees a 5-percent increase. It would have given a $100 longevity increase for each period of service of 13, 17, 21, and 25 years. It would have increased the allowance per diem for employees in the Transportation Service to $9 per day, considerable above the present rate. It would have provided for a uniform allowance of $100 annually for those required to wear a uniform. It modified the Whitten rider, which presently restricts the number of permanent appointments. It provided for 25 paydays instead of 24. The bill would have gone into effect the first full pay period following the enactment of this law.

These provisions would have been permanent, not temporary, as the bill of the gentleman from Minnesota [Mr. HAGEN] provides. I say that the postal workers would have received those benefits immediately. I do not think anyone questions me when I say there is considerable doubt whether the Corbett bill will become enacted into law.

Recently, Mr. Speaker, this body voted for a 5-percent increase for disabled veterans and their widows and orphans. The classified Federal workers bill, I understand, was for 5 percent. Why should the postal workers insist upon more?

I believe if you go back to your own districts you will find that there are many, many workers there working in stores and otherwise who would be very much pleased to receive a $200-a-year increase, with $100 allowance for uniforms and other benefits.

Let us not be unmindful of this, that since the last time we gave the postal workers a raise the cost of living has gone up but 3.8 percent. The bill we voted down 2 or 3 weeks ago would have given the workers a 5-percent raise which would have more than adequately taken care of the added living costs.

I want to comment briefly on this matter of the postal deficit. I congratulate the Postmaster General, Arthur Summerfield, for doing everything within his power to bring about a lower deficit in the Post Office Department. Since 1946, the Post Office Department has had a $4 billion deficit. I know some will say, "Well, the Post Office Department is a service for the people." I think everyone will admit, however, that water which you receive in your cities and your municipalities is something that people certainly are entitled to. But when it comes into your homes, does the city give it to you free? They charge you a monthly water rate for this thing that many will contend people are entitled to. So, again, I say, Mr. Speaker, I hope that this body will vote down the Corbett bill and perhaps we can go along, as the gentleman from Minnesota [Mr. HAGEN] has just said on some compromise bill, which I did not know was contemplated until the gentleman from Minnesota [Mr. HAGEN] mentioned it a moment ago. I repeat, I hope the Corbitt bill will be voted down.

Mr. HAGEN of Minnesota. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. MOSS].

Mr. MOSS. Mr. Speaker, I urge adoption of this resolution in order that the House may have an opportunity to vote for the first time on the question of a pay increase for postal workers. I recognize the fact that we were accorded the opportunity of voting upon a bill which carried with it the question of postal rates. I maintain that the two are not related, particularly when the proposal would have imposed an additional tax of $150 million upon the only class of mail presently paying its own way and in addition paying a $105 million profit to the Department. Our committee has spent a number of months in a diligent effort to arrive at a compromise, and the majority of us on the committee believe that the Corbett bill represents an acceptable compromise. It is a compromise within the limits of the ability of the Government to pay and a compromise which will accord some measure of equality of treatment to the postal workers. If you vote for this resolution, you will have an opportunity to listen to the full facts upon the question of the postal service. Following that, I would join the gentleman from Minnesota in hoping that you would also vote an increase for the classified workers of our Federal service.

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

Mr. MOSS. I yield.

Mr. FULTON. Actually, the Corbett bill has been approved by the Committee on Post Office and Civil Service itself; has it not?

Mr. MOSS. That is correct.

Mr. OLIVER P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. MOSS. I yield.

Mr. OLIVER P. BOLTON. The gentleman used the word "compromise." Would the gentleman care to mention the vote in committee on a bill which was passed out by the committee by a unanimous vote?

Mr. MOSS. I was just going to do that.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. MOSS. I thank the gentleman for calling it to my attention.

On the question of compromise, I want to say we did vote a compromise bill in a sincere effort to bring up a piece of legislation which could be considered. We were given the impression that if it was reported out, we would have a rule. That rule was denied us. That would have made it possible for this body to consider a bill which could be debated on its merits, a bill which would permit the House to work its will. We were denied that opportunity after acting in good faith. In the absence of that opportunity to discuss the so-called Rees compromise, I think we should now take this last opportunity to discuss the Corbett bill.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of the time to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, in my many years of service in this House I have never found myself in a position where I find myself at this time, rather unhappy. Yet I feel a duty and responsibility that is ours from which I cannot see any possible way of escape.

Mr. Speaker, I have no illusions as to what will be the final result of the vote on this bill. Nor do I have any illusions whatever as to its prospects of becoming law.

A basic principle of this administration's program has been, and is, fiscal responsibility. To this principle the President and his Postmaster General are dedicated. They are determined that the Post Office Department, and every other department and agency of Government, be placed on a realistic budgetary basis. Only in this way can we have a sound fiscal policy so important to the country as a whole.

To fiscal responsibility most of us, particularly those on my side of the aisle, profess faithful adherence. We campaign on that principle. We tell our people how important it is that we place every department of Government on an efficient, businesslike basis. We repeatedly point out to them how necessary it is that we reorganize every department to improve its efficiency and reduce costs.

To me, this vote today is the test of our individual sense of fiscal responsibility. The issue here is not whether there should be any pay raise for postal employees. On that, we are generally agreed. I supported the bill that was before us on July 21 to grant them an

increase. Over the last several years I have supported a number of such bills.

The issue this particular bill presents is whether we propose to grant another salary increase to postal workers without taking into account the huge deficit under which the Post Office Department has been operating and the existing unrealistic postage rates. Since 1945 we have accumulated a deficit of $4 billion in the operation of the postal service. Through the introduction of good business methods and economies Postmaster General Summerfield has reduced the annual postal deficit from that of over $700 million in 1952 to around $400 million this past year.

To place our postal service on a realistic budgetary basis is something which the Postmaster General cannot do alone. He cannot do it if fiscal responsibility is to be sacrificed for political expediency. Certainly he will never be able to do it if we continue to add to the costs of operation without being willing, at the same time, to face up to the necessity of providing means to raise additional revenue.

It is easy to spend. It is hard to tax. Are we so lacking in our individual sense of fiscal responsibility that we will do only that which is easy? Are we so lacking in political courage that we are unwilling to do the hard but necessary things for the best interests of the people as a whole?

The bill before us would add over $200 million to the annual cost of operating the Post Office Department, but it contains absolutely nothing to provide the money. Let me repeat: Are we so lacking in our sense of fiscal responsibility and so lacking in political courage that we are willing to add to the cost of an operation without even attempting to provide the means to defray the cost?

On July 21 we had before us a bill which would grant postal employees a 5-percent salary increase, with a minimum of $200, together with certain other benefits, such as longevity pay and uniform allowances. That same bill provided for a long overdue change in postage rates, some of which have not been changed in several years in spite of the constantly increasing handling and transportation costs. That bill had my support. If it had passed, there is no doubt but that it would have become law.

The pending bill may pass the House, but from the best information I have it will not become law. I am convinced that to pass this bill is but an idle gesture. It is a political gesture without substance and without meaning.

To vote for this bill is to say, as loudly as anyone can say, it does not make any difference how much it costs or where the money comes from. A vote for this bill may appear to be a politically expedient vote. I do not want my record to show that I lack a sense of fiscal responsibility and an obligation to the people as a whole. I shall vote against this bill.

Mr. HAGEN of Minnesota. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. CORBETT].

The SPEAKER. The gentleman from Pennsylvania is recognized for 3 minutes.

Mr. CORBETT. Mr. Speaker, I would like to direct my remarks primarily to the issue presently before us, namely, whether or not this resolution shall pass and the bill H. R. 9245 be brought up for action.

If I know anything about the rules of this House it is that without exception they are designed to allow the majority to work its will. That is the reason we have a discharge petition proceeding to make it possible that when any minority group in the exercise of its rights or privileges blocks the will of the majority that legislation can be brought to the floor.

I do not know why anyone who is in favor of majority rule and democratic processes should vote against this resolution to give this body a chance to work its will.

I want to say further that my relations with the gentleman from Illinois have been among the finest I have enjoyed in this House; but if there ever was a clear-cut example as to why the Rules Committee should be stripped of some of its arbitrary power we have it in this instance.

We have here a situation where the legislative committee has reported a bill favorably, but the Rules Committee would not consider it. Hence it was required that we get 218 Members, a certified majority, to come down here in the well and sign a petition in order to even have an opportunity to vote on a matter which affects the welfare of tens of thousands of our employees. Getting 218 signatures on a discharge petition is a tremendous undertaking as you all know.

I will talk about the merits of the bill when the proper time comes during the hour debate allowed; but the issue here involved is whether or not any individual or any minority group has the power to prevent the House of Representatives of the United States from exercising its proper functions.

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

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

Mr. MOSS. Is it not true that our committee some 5 months ago reported a bill on postal rates and that the bill has never come to the floor under a rule to permit discussion?

Mr. CORBETT. That is correct, and there are many among us who feel that had that bill been brought up as an individual title it would have passed.

I sincerely hope that this resolution will be adopted. It will make in order action on a postal salary bill which has much merit and which was only compromised because some of us recognize the legislative situation and felt we had to adopt a realistic position. This bill should not be confused with the bill that was brought in here last week married to the rate bill. That bill under the same title and number was my bill, with the head cut off, the arms and legs cut off, and the torso discarded. There was nothing remaining of it but the name and number. It was an unjust transformation done without my knowledge or consent.

Mr. Speaker, I urge the adoption of this resolution.

The SPEAKER. The time of the gentleman from Pennsylvania has expired. All time has expired.

Mr. WILSON of California. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WILSON of California. Under the rule under consideration provided we have full committee acceptance for such amendment would an amendment be in order to include a pay increase for the military?

The SPEAKER. The Chair would state that this bill deals only with the pay of postal employees and none others; it would not therefore be germane under the procedure provided under the special rule.

Mr. WILSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. WILSON of California. Mr. Speaker, I have been attempting to find some means of amending the postal pay raise bill in order to include a large segment of Government workers—the men and women of the armed services of the United States. I realize that this is an unusual approach toward effecting a pay raise for this vast body of people who so desperately need an adjustment in their pay status to bring them somewhat nearer to a decent standard of living. It was the last way left open to us, and it is obviously not possible, in this session of Congress, to secure action on a military pay increase.

There can be no question that the armed services today are suffering through an alarming attrition caused by trained servicemen leaving their positions to accept employment in the outside world. They do this primarily to enable them to keep their families from suffering the effects of low pay, long separations, and other hardships of service life.

I do not want to give the impression that I think a pay raise is the only thing that is standing between an efficient military force and an inefficient one. Many more things than pay alone total up to what is considered good morale in the services or in any large organization. Fortunately, I believe that we have taken many constructive steps forward in this 83d Congress to improve the conditions that are necessary for an alert, strongly motivated defense force. Congress this year has reversed the 10-year trend, for example, that has seen a whittling away of many of the fringe benefits that had accrued to service personnel in lieu of pay. This session of Congress has increased the household-goods shipping allowance, increased educational allowances, removed restrictions on promotions and retirement, and has provided 13,000 units of family housing. In addition, the 83d Congress has made it possible for servicemen remaining in the service to enjoy the advantages of mortgage guaranties, more favorable terms for home purchases, and many other improvements.

The important point, I believe, is the fact that the trend has been reversed. We are now deeply cognizant of the recklessness of cutting away these benefits that have long been regarded as necessary to the morale of the services.

In addition to congressional action, the services themselves have recognized the ominous trend of low reenlistment rates and lowered morale. They are correcting objectionable travel regulations, are trying to stabilize the living conditions for service families, lengthening the time between transfers and rotation, and allowing servicemen to live a more normal family life.

Service families, along with the general public, have, of course, benefited from the income-tax reductions and other beneficial tax legislation that this Congress has passed. Being below the scale of the standard cost-of-living index, the services, on a fixed pay, have also benefited from a leveling-off of the heretofore rising cost-of-living index factor.

Nevertheless, the problem of adequate comparative pay has not been solved by this session of Congress. Many of my colleagues have joined in attempting to get action on legislation that would increase the base pay of service personnel, active and retired, this year. Earlier, there were indications that the Defense Department would strongly press for a pay raise, along with the anticipated favorable action on classified and postal employees. Perhaps due to the lateness with which classified and postal pay legislation is being acted upon, there has been no real support from the Pentagon on such an increase for service personnel. I hope the Secretary of Defense and his entire Department will, early in the next session, recommend an immediate increase to correct the obvious injustice and inequity of this situation.

Personally, I intend to press vigorously again early in the next session in the hopes that we can take immediate steps to remedy this intolerable and unfair condition.

I spoke a moment ago about the cost-of-living index. It perhaps would be interesting to my colleagues at this time to look at the figures as they relate to civilian compensation as compared to military compensation. The compilation from Department of Labor statistics and other authoritative sources for the period from October 1949 through April 1954 indicates clearly that whereas military compensation rates continue to remain well below the advancing cost of living, industrial compensation rates have advanced steadily and sharply to levels as high as 23.5 percent above the May 1954 cost-of-living index and 37 percent above the 1949 index. The average rate of increase in the fields which are comparable to enlisted technical skills is 27 percent above the 1949 levels as of May 1954. In looking at the figures for civilian executives and professional personnel, we find the same trend to levels as high as 10 percent above the cost-of-living index in May 1954 and 23.5 percent above the 1949 index.

I should like also to compare military-pay figures with those of civil-service pay. I do this not in an attempt to suggest that civil-service pay is out of line; civil-service workers have also felt the need for a pay increase, and I have heartily supported all measures introduced this year to bring the pay of Federal employees up to a more normal level. Civil-service pay was increased by 10 percent in 1951 because of the pressure from the rapidly increasing cost of living. The current indications are that an increase of approximately 5 to 7 percent will be approved this session. This will result in a total increase of around 15 percent for Federal employees since 1949. During the same period military compensation has been increased only 5.7 percent since the enactment of the Career Compensation Act in 1949. The contrast between pay increases accorded industrial and Federal workers in the period since 1949 is vivid testimony to the need for immediate action on the pay increase for service personnel.

In addition to the healthy advances in the industrial pay ranges, there has been a somewhat revolutionary increase in the so-called fringe benefits in industry. A comprehensive study this year by the National Industrial Conference Board, Inc., reveals that labor contracts for compensation practices in 444 companies, spanning all the major industrial fields, provide for a variety of 44 supplemental compensatory elements which produce benefits over and above basic wages. This innovation in industry comes at a time when the trend, up until this year, has been toward a reduction of such benefits for the military.

It has seemed logical to me that a concurrent pay raise of the same percentage for military could be enacted to go along with the civil-service pay increase, and the increases granted recipients of social security and disabled veterans. This figure seems pretty well crystalized at 5 percent. If we were to apply the 5-percent figure to an immediate military pay increase, we would find that the total cost would be $340 million per year. The 5-percent increase in base pay would be a substantial boost for military personnel, but I would be remiss if I failed to point out that it would still fail to bring military compensation up to the present cost of living, as compared with 1949.

The 5-percent increase for the military would not mean a net additional cost to the Government. Secretary of the Air Force Talbott, Assistant Secretary of Defense John Hanna, and many others, have effectively pointed out the tremendous cost, totaling millions of dollars per year, of replacing and retraining those servicemen who are required to keep our defense forces strong in this time of world peril.

No real estimate as to the total cost of this musical-chairs type of defense force has ever been made, but the ultimate cost to the Nation must be figured in billions of dollars when total veterans' benefits and other compensations are computed. The increased number of veterans resulting from a rapid rotation of forces must obviously add to the indebtedness of the Government.

In these days of awesomely devastating weapons and supersonic means of delivering them, we need a professional defense force that knows and appreciates its job. It is high time for Congress to take a serious and realistic view toward the establishment of a full-time career defense force, which will be more efficient, offer us more protection and, in the long run, cost us less than the hodgepodge system now in effect. It is time for Congress to recognize the necessity for a career service, and to be prepared to lay it on the line, in our own enlightened self-interest. If necessary, we must prod the Pentagon to a full realization of the need for a long-range program aimed toward full-time career military forces. Problems of pay, medical benefits, housing, and service morale must be successfully solved, if we are to remain strong.

George Washington said:

> If we desire to be secure, it must be known that we are at all times ready for war.

Those words were never more applicable than they are today.

The SPEAKER. The question is on the motion of the gentleman from Minnesota to discharge the Committee on Rules from the further consideration of House Resolution 590, providing for the consideration of the bill (H. R. 9245), to establish a joint committee of Congress to study postal field service reclassification, to increase the rates of basic compensation of postmasters, officers, and employees in the postal field service pending reclassification pursuant to recommendations of such joint committee, and for other purposes.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FOGARTY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 346, nays 29, not voting 57, as follows:

[Roll No. 137]

YEAS—346

Abbitt	Bramblett	Davis, Ga.
Abernethy	Bray	Davis, Tenn.
Adair	Brooks, La.	Dawson, Ill.
Addonizio	Brooks, Tex.	Dawson, Utah
Albert	Brown, Ga.	Deane
Alexander	Brown, Ohio	Delaney
Allen, Calif.	Brownson	Dempsey
Andersen, H. Carl	Broyhill	Derounian
Andresen, August H.	Buchanan	Devereux
Angell	Buckley	D'Ewart
Ashmore	Budge	Dingell
Aspinall	Burdick	Dodd
Auchincloss	Burleson	Dollinger
Ayres	Bush	Dolliver
Bailey	Byrd	Dondero
Baker	Byrne, Pa.	Donohue
Barrett	Campbell	Donovan
Bates	Canfield	Dorn, N. Y.
Battle	Cannon	Dowdy
Beamer	Carlyle	Doyle
Becker	Carnahan	Durham
Bender	Carrigg	Eberharter
Bennett, Fla.	Celler	Edmondson
Bennett, Mich.	Chelf	Elliott
Berry	Chenoweth	Ellsworth
Betts	Chiperfield	Engle
Bishop	Chudoff	Fallon
Blatnik	Church	Feighan
Boland	Clevenger	Fenton
Bolling	Cole, Mo.	Fernandez
Bolton, Frances P.	Colmer	Fine
Bolton, Oliver P.	Cooley	Fino
Bonin	Coon	Fisher
Bonner	Cooper	Fogarty
Bosch	Corbett	Forand
Bow	Coudert	Forrester
Bowler	Crosser	Fountain
	Crumpacker	Frazier
	Cunningham	Frelinghuysen
	Curtis, Mass.	Friedel
	Dague	Fulton

Gamble
Garmatz
Gary
Gathings
Gavin
Gentry
George
Goodwin
Gordon
Graham
Granahan
Grant
Green
Gregory
Gross
Hagen, Calif.
Hagen, Minn.
Hale
Haley
Hand
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Hart
Harvey
Hays, Ark.
Hébert
Herlong
Heselton
Hess
Hiestand
Hillelson
Hinshaw
Hoeven
Hoffman, Ill.
Holifield
Holmes
Holt
Holtzman
Hope
Horan
Hosmer
Howell
Hunter
Hyde
Ikard
James
Jarman
Javits
Jenkins
Jensen
Johnson, Calif.
Johnson, Wis.
Jonas, Ill.
Jonas, N. C.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karsten, Mo.
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kersten, Wis.
Kilday
King, Calif.
King, Pa.
Kirwan
Klein
Kluczynski
Knox
Krueger
Landrum
Lane
Lanham
Lesinski
Lipscomb
Long
Lovre
McCarthy
McConnell
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Iowa
Matthews
Meader
Merrill
Merrow
Metcalf
Miller, Calif.
Miller, Kans.
Miller, Nebr.
Miller, N. Y.
Mollohan
Morano
Morgan
Morrison
Moss
Moulder
Multer
Mumma
Natcher
Neal
Nicholson
Norrell
Oakman
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pilcher
Pillion
Poage
Poff
Polk
Price
Priest
Prouty
Rabaut
Radwan
Ray
Rayburn
Reams
Reed, Ill.
Rhodes, Ariz.
Rhodes, Pa.
Richards
Riehlman
Riley
Roberts
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Sadlak
Saylor
Schenck
Scherer
Scott
Scudder
Seely-Brown
Selden
Shafer
Shelley
Sheppard
Short
Shuford
Sieminski
Sikes
Simpson, Ill.
Small
Smith, Miss.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Stringfellow
Sullivan
Talle
Teague
Thomas
Thompson, La.
Thornberry
Tollefson
Trimble
Van Pelt
Van Zandt
Velde
Vursell
Walter
Wampler
Warburton
Watts
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. J.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson. Ind.
Wilson, Tex.
Winstead
Wolverton
Yates
Yorty
Young
Younger
Zablocki

NAYS—29

Allen, Ill.
Andrews
Arends
Byrnes, Wis.
Cederberg
Cole, N. Y.
Curtis, Mo.
Davis, Wis.
Ford
Harden
Hoffman, Mich.
Jackson
Laird
Miller, Md.
Mills
Murray
Phillips
Reece, Tenn.
Reed, N. Y.
Rees, Kans.
Robeson, Va.
St. George
Simpson, Pa.
Smith, Kans.
Smith, Va.
Taber
Tuck
Utt
Vorys

NOT VOTING—57

Barden
Belcher
Bentley
Bentsen
Boggs
Boykin
Busbey
Chatham
Clardy
Condon
Cotton
Cretella
Curtis, Nebr.
Dies
Dorn, S. C.
Evins
Golden
Gubser
Gwinn
Halleck
Hays, Ohio
Hill
Hillings
Hruska
Kilburn
Lantaff
Latham
LeCompte
Lucas
Lyle
McCormack
Machrowicz
Mason
Nelson
Norblad
O'Brien, Mich.
Patten
Patterson
Powell
Preston
Rains
Regan
Rivers
Roosevelt
Scrivner
Secrest
Sheehan
Sutton
Taylor
Thompson, Mich.
Thompson, Tex.
Vinson
Wainwright
Weichel
Wheeeler
Withrow
Wolcott

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack for, with Mr. Halleck against.

Until further notice:

Mr. Cretella with Mr. Boykin.
Mr. Busbey with Mr. Chatham.
Mr. Hillings with Mr. Bentsen.
Mr. Taylor with Mr. Rains.
Mr. Wainwright with Mr. Vinson.
Mr. LeCompte with Mr. Preston.
Mr. Mason with Mr. Wheeler.
Mr. Curtis of Nebraska with Mr. Rivers.
Mr. Wolcott with Mr. Boggs.
Mr. Sheehan with Mr. Dorn of South Carolina.
Mr. Bentley with Mr. Dies.
Mr. Belcher with Mr. Evins.
Mr. Clardy with Mr. Regan.
Mr. Nelson with Mr. Roosevelt.
Mr. Patterson with Mr. Thompson of Texas.
Mr. Kilburn with Mr. Lantaff.
Mr. Withrow with Mr. Machrowicz.
Mr. Scrivner with Mr. Barden.
Mr. Cotton with Mr. Hays of Ohio.
Mr. Weichel with Mr. Patten.
Mr. Hill with Mr. Lucas.
Mr. Golden with Mr. Lyle.
Mr. Gwinn with Mr. Powell.
Mr. Norblad with Mr. Sutton.
Mr. Gubser with Mr. Secrest.
Mr. Latham with Mr. O'Brien of Michigan.
Mr. Hruska with Mr. Condon.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the resolution (H. Res. 590) providing for the consideration of the bill H. R. 9245.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, the Speaker shall recognize the Representative from Minnesota, HAROLD C. HAGEN, or the Representative from Pennsylvania, ROBERT J. CORBETT, or the Representative from Wisconsin, GARDNER R. WITHROW, 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. 9245) to establish a joint committee of Congress to study postal field service reclassification, to increase the rates of basic compensation of postmasters, officers, and employees in the postal field service pending reclassification pursuant to recommendations of such joint committee, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by a Member of the House requesting the rule for consideration of said H. R. 9245, and a Member who is opposed to said bill to be designated by the Speaker; the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except those offered by direction of the Committee on Post Office and Civil Service. Amendments offered by direction of Committee on Post Office and Civil Service may be offered to any part of bill but shall not be subject to amendment. 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 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. This special order shall be a continuing order until the bill is finally disposed of.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

The SPEAKER. Pursuant to the provisions of House Resolution 590, the Chair designates the gentleman from Tennessee [Mr. MURRAY] to control the time in opposition to the bill H. R. 9245.

Mr. HAGEN of Minnesota. 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. 9245) to establish a joint committee of Congress to study postal field service reclassification, to increase the rates of basic compensation of postmasters, officers, and employees in the postal field service pending reclassification pursuant to recommendations of such joint committee, 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. 9245, with Mr. FORD 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 Minnesota [Mr. HAGEN] will be recognized for 30 minutes, and the gentleman from Tennessee [Mr. MURRAY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. HAGEN].

Mr. HAGEN of Minnesota. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, on June 15 our committee reported to the House the bill H. R. 9245, the so-called Corbett bill.

This bill was the result and work of almost daily hearings and executive sessions beginning February 16. There were many views in the committee as to just what should be done with respect to postal employees' salaries and also with respect to a general overhauling of the classification and pay schedules of postal employees.

Taking into consideration that there are more than 500,000 postal employees, it can readily be seen that we had a major job and that this is a major bill.

The bill itself represents a compromise. Postal employee organizations in their testimony requested a flat $800 across-the-board salary increase, and presented a substantial amount of testimony in justification of their position. The committee itself first adopted a 10-percent increase. Later this was reduced and modified to 7 percent, which is now a part of the Corbett bill.

At the same time the committee was faced with a request by the administration to approve a bill calling for a reclassification of postal employees' salaries. This proposal, in my judgment, was vague and full of loopholes, and, in fact, was not introduced as a bill until March 31. When it did appear in legislative form, it was clear to most of us that it represented a marked change from the policy that had been followed historically in the case of postal em-

ployees' salaries; that is, they have been set by Congress previously. There is no issue taken with the question that there should be a readjustment, reevaluation, and realinement of the salary schedules in the postal service. Most of the postal employee witnesses were in agreement on that score. However, there was equal agreement on the part of postal employee organizations and others that this adjustment, reevaluation, and realinement of positions and salaries should have the direct approval of Congress.

This approach is distinguished from the establishment of a salary schedule and authorizing the Postmaster General to decide where within the salary schedule specific jobs will be placed. H. R. 9245 provides for a joint congressional committee to study the postal field service classification and to report back to the Congress by May 1, 1955. The recommendations of this joint committee would then be considered and enacted affirmatively under the regular legislative processes.

It should be kept in mind by those who want classification, including the Post Office Department, that unless this bill or a similar bill is passed, there will be no opportunity for reclassification for perhaps a long time to come. So we must pass this bill in order to get some consideration to reclassification later. Inasmuch as it will take some time to be done properly, it is the view of our committee that some consideration must be given to a temporary increase in salary for postal workers because it was so clearly justified by the testimony we had received.

This bill therefore does provide for a temporary pay increase to October first of next year. It provides this increase effective the first day of the month after this bill is enacted. This salary increase would be 7 percent of the basic rates with a minimum increase of $240 and a maximum increase of $480 a year except in the case of postmasters of the fourth class who are eligible for only the straight 7 percent increase.

Hourly employees would be given a 10-cent-per-hour increase.

The bill also provides other permanent benefits to postal employees such as—an additional longevity grade; increased travel allowance for postal transportation employees assigned to road duty from the present $6 per day to $9 per day.

It provides for a $100 uniform allowance for those postal employees who are required by law to wear them.

It eliminates also the ceiling restrictions of the Whitten amendment so that more permanent appointments in the postal service can be made.

It provides for a biweekly pay period for postal employees.

In my judgment, Mr. Chairman, this is a fair and good bill from the viewpoint of the administration. It provides a start on reclassification of postal employees, which is so much needed, the Post Office Department tells us.

It provides for a salary increase so that less hardship will accrue to the postal employees while the reclassification program is being considered.

I was glad to file the discharge petition on this Resolution 590. It was signed by 217 other Members of the House. Without that action the membership here today would not have had the opportunity to vote on a straight unadulterated salary and reclassification bill for postal employees. I have every confidence that H. R. 9245 or some modification of it will ultimately become law. There may be some reasonable amendments, changes, and modifications; there also may be some reductions or eliminations of some portions of the bill, which may be adopted along the legislative road that it still must travel. However, we will, in the end, I hope, finally approve some legislation which will be acceptable.

I believe, all in all, that the bill provides a basic pattern of salary reclassification and other benefits for postal employees to which we can all subscribe. It is a sound measure from most viewpoints.

So there should not be much opposition to this bill; it should be passed with a big vote and sent to conference. There and then, of course, it will be up to the House and Senate leadership to handle the problem and the situation. We hope that some final action can be taken on this bill or some postal pay bill before Congress recesses now within another week or two.

Mr. MURRAY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am opposed to this legislation for numerous reasons. I wish I had the time and opportunity to explain in detail the many objections I have to this bill. I consider it a legislative monstrosity.

I realize that my opposition to this bill is hopeless and futile; I know that the Members have already indicated by signing the discharge petition and by the vote on the resolution a few minutes ago that they are going to vote overwhelmingly for this bill, but I cannot in all good conscience support this measure.

I feel that this bill is bad legislation and should be defeated. I realize the enormous pressure that has been brought upon the Members of this House by certain postal groups. I have said on many occasions that the heads of these postal unions have been going entirely too far in their high-handed tactics and unusual pressure which are used upon Members of Congress.

I, for one, am not afraid of the pressure or the threats of the heads of these dictatorial postal union officials. I have had the honor of serving on the Committee on the Post Office and Civil Service for 12 years. I have had the privilege of serving as chairman of this fine committee for 4 years and today I am the ranking Democrat on the committee. I have been a friend of the postal employees and the classified employees for many years. I have supported their requests when I thought they were fair, reasonable and just, but I have refused time and again to go along with them when I thought their demands were unreasonable and unjust. In the past 12 years I have successfully sponsored much beneficial, helpful legislation for Federal employees. In this instance the pending bill is unjust, it goes entirely too far and, in my opinion, when it is passed by the House today it will never become the law of the land and it should not.

What are some of the reasons for my opposition to this bill? First, it provides for a 7 percent increase with a floor of $240 and a maximum of $480. The Commissioner of the Bureau of Labor Statistics appeared before our committee and testified that since the last increase given the postal employees the cost of living has only increased 4 percent; yet the committee voted a 7 percent increase. This bill will cost $200 million. Today we are already paying over $1 billion in salaries to postal employees.

When I first became a member of the Committee on the Post Office and Civil Service the top salary of a city letter carrier and a city clerk was $2,100. Today the top salary for a city clerk or a carrier is $4,370. This bill will give to the letter carrier with 25 years service an increase of $505, making the salary of a city letter carrier who has had 25 years' service a total of $4,875.

Mr. Chairman, we must hold these salaries in line. I cannot subscribe to the philosophy of continuously increasing our expenditures, increasing our appropriations, and reducing taxes at the same time. If we keep up this kind of practice we will soon realize it is going to be absolutely impossible to put our fiscal affairs in order and to balance our budget. I fear for the economic security of our country in these troubled times.

Mr. Chairman, I am not afraid to stand up here and oppose this bill, because I know it is not right, it is not fair. The Congress has been most generous with the postal employees ever since I have been a member of the committee. The employees should not make these excessive demands upon the Congress.

Another reason I am against the bill is because it does not pay equal wages for equal responsibility. It bases wages upon length of service and not upon the responsibility of the various jobs.

The most crying, desperate, and urgent need today in the Post Office Department is for a modern reclassification and evaluation of all postal jobs. The present personnel system of the Post Office Department is outmoded, antiquated, and out of date. The Postmaster General has been asking the Congress to give him power to reevaluate these jobs and to install a modern reclassification system, but Congress has not given him such authority. The postal unions have opposed at every opportunity the Postmaster General in his effort to get a real reclassification system.

Now, Mr. Chairman, the postal unions are all right in their place, but they have no right at attempt to control and hamstring the management of the Post Office Department. I had the pleasure of serving for about 9 years with the Post Office Department. I served under Postmaster General James A. Farley and Postmaster General Frank Walker,

They were my good friends and were outstanding executives. I think I know something about the postal service and about the operation of the Post Office Department. I tell you that in all of my experience and my knowledge of the various Postmasters General we have had since I was first connected with the Post Office Department beginning in September 1933, I do not believe the Department ever had an abler, a more courageous, and a more fearless or a more capable Postmaster General than your present Postmaster General, Arthur E. Summerfield, and I think that Congress should cooperate with and support him. It is highly unfortunate that these postal unions, instead of cooperating with the Postmaster General, instead of giving him a helping hand in trying to reorganize the Department and trying to institute a modern reclassification system, do all in their power to block the plans of the Postmaster General. I have never witnessed a Postmaster General who has worked harder and longer hours in his effort to put business methods into the Department than General Arthur E. Summerfield. While he belongs to the opposite party from me, I feel that I should pay tribute to him, because when I see any official, be he Democrat or Republican, who is doing a constructive, worthwhile job, I think it is my duty to pay my compliments to him. It is highly regrettable that Postmaster General Summerfield is not receiving more support and more cooperation than he has to date. He is a brilliant executive, and he will eliminate the postal deficit if we stand behind him, but when we keep increasing the postal salaries and keep refusing to raise postal rates, how can you expect the postal deficit ever to be erased? It just cannot be done.

Mr. Chairman, this bill ought to be defeated not only because of the 7-percent increase, when the cost of living has only increased 4 percent, but it should also be defeated because it provides additional longevity pay raises. Who ever heard of a business institution giving four longevity pay raises? After a postal employee has served 13 years, he gets $100 bonus. After he has served 17 years, he gets another $100 bonus. After he has served 21 years, he gets a third $100 bonus, and this bill provides that after he has served 25 years, he gets still another bonus of $100. So, you are giving the postal employee $400 longevity pay as a maximum regardless of the character of work he is doing.

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

Mr. MURRAY. I yield to the gentleman from Alabama.

Mr. ANDREWS. I want to commend the gentleman for the courage he is displaying. I would like to ask the gentleman if he can give us some idea how the salaries of post office employees compare with the salaries paid the schoolteachers of this country.

Mr. MURRAY. The salaries of post office employees, including the messengers and the elevator operators, not to say the salaries of clerks and carriers, which are much higher, exceed the salaries paid to schoolteachers, to policemen, and to firemen, to salesmen, and bookkeepers in my home city and in my district.

I will show you one comparison. Today, elevator operators in the postal service receive a starting salary of $2,970 a year. In other Federal departments they receive a starting salary of $2,420 or $550 less a year. The messengers in the postal service receive a starting salary of $3,170, while in other Federal departments they receive $2,552, or $618 less. Cleaners and charwomen receive a starting salary in the postal service of $2,870, and in the rest of the Federal service they receive $318 less a year, or $2,552. So I say that postal salaries are today higher than comparable positions in other branches of the Federal Government. I wish the Members had the opportunity to read the minority report against this bill submitted by the gentleman from Kansas [Mr. REES], chairman of our committee, by the gentlewoman from New York [Mrs. ST. GEORGE], and by myself, which would show you what a monstrosity and how absurd and unfair this bill is.

Mr. ANDREWS. I would like to say this, that the average schoolteacher's salary in Alabama is $2,640 a year. As I understand the gentleman's statement, the average starting salary of charwomen is $2,800.

Mr. MURRAY. That is correct, and they get $240 per annum increase under this bill.

Mr. ANDREWS. That is why I cannot conscientiously vote to increase these salaries until something is done for the schoolteachers who have a far greater responsibility than do the postal employees.

Mr. MURRAY. Mr. Chairman, my conscience is clear. I know I am right in this fight. I have no apology to make for it even though I fully realize that my opposition is in vain.

This bill will cause dissatisfaction and lowered morale because of its many inequities. It is not in the best interest of the efficient operations of the postal service and does not give the Postmaster General the authority to place in operation a sound, modern reclassification system which is so deperately needed. I deeply regret that the House recently failed to suspend the rules and pass a 5-percent salary increase for all employees and supervisory officials and a postal-rate increase for just second- and third-class mail. In my opinion, the passage of this bill today will be a serious mistake.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I think it is common knowledge to most American people that one of the most shocking scandals in this Nation is the grossly inadequate salary paid the public schoolteachers. If that is to be a measure of how much to pay labor, then certainly we are going down grade in many, many fields. I do not think it is our desire to bring living standards down to the deplorable level at which the public schoolteacher is forced to live.

Another point; that is not the responsibility of this House nor of this committee. That is the responsibility of the individual States and the individual school districts. I hope they will search their consciences.

The bill before us represents a fair bill in every respect, a minimum fair bill. To assume that because the Bureau of Labor Statistics shows only a 4-percent increase in the cost of living since the last postal pay increase was granted, to assume that is the measure of justice, is to say that at the moment of the passing of the last salary increase we gave full justice to the Federal employee and to the postal worker. That is not true. We did not do so. I hope that in the enactment of this legislation we will come just a little closer to achieving the degree of equality in salary to which the postal worker is entitled.

We had a great deal of talk about the postal deficit. That is a deficit arising because of the policies of Congress extending over the last century—a deficit resulting because of free services provided and because of subsidized services. It is rather interesting to note that only in the Post Office Department do we refer to it as a deficit. For the State Department or the Departments of Commerce or Justice or Agriculture we do not call it a deficit. We call it a cost of Government. And it is a cost of Government for the Post Office Department in exactly the same measure. To the extent that we have, by wise policies, provided for a business operation of the postal establishment, we should expect it to pay its own way. We cannot expect to have business efficiency when the laws under which the Department operates are completely unlike anything you would ever encounter in any business. Business cannot give a major portion of its services at less than cost and make a profit. Neither can government. There is no man on earth with enough ability to bring about that happy situation.

When the Government enters the labor market in the role of an employer of labor, it should pay a fair wage. That is the thing that concerns us here today. What is a fair wage? It is a wage which reflects a just relation to the wages paid other workers in State and municipal government and in industry. If you take that as your yardstick, then the postal worker is entitled to every dime provided in the legislation before us. I maintain that is the principal issue involved here. It is not a question of a clash of personalities between the leaders of the unions and the Postmaster General. We must remember that the postal workers can only go to Congress, through their representatives, for just consideration of their demands. If these employees worked in private industry, they would have the right to strike; they would have the right to enforce consideration of their demands and their grievances.

As employees of the Federal Government that right is denied them—and I believe properly so. Thus, they must petition the Congress for justice. I think we should listen and should consider entirely on its merits the request they present to us. We did that in our

committee. The majority of the members of the committee, after very exhaustive hearings, determined that the Corbett bill was a fair bill, that it did meet the needs of the employees. I urge the Members of the House to concur in our decision. Enact this bill and send it to the other body. I am positive the President will not veto it.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I approve the Corbett postal pay raise bill and strongly urge the immediate passage of this necessary postal pay raise legislation. We in Congress do have the duty to provide a good wage scale for the postal workers as well as for the general Federal employees. We ought to adopt the policy of a good day's wage for a good day's work. This will insure efficient employees, and prompt and efficient service.

I wish to answer the argument against this bill on fiscal responsibility. We in this House have separated the Ways and Means Committee of this House from the Appropriations Committee. We keep those functions separate. The functions likewise should be kept separate on a postal pay raise bill.

The Post Office and Civil Service Committee reported out the postal pay raise bill separately. But the House Rules Committee without the legislative committee authorization, and without even the consent of the sponsor of the bill reported a rule for House action joining the pay raise bill and the postal rate raise bill.

If that policy were adopted in foreign relations, and I am on the Foreign Affairs Committee and so have had experience in that field, we would have to pass a tax right with the Foreign Aid bill, and we never have done it. There has been no claim of fiscal irresponsibility on these other large appropriations and budgets. Then why the claim on this relatively small authorization for the proposed postal employees' pay raise that is not even one-half of 1 percent of this year's total Federal budget?

May I say in opposition to the gentleman from Tennessee [Mr. MURRAY], whom I respect but whom I oppose sincerely here, that the mere reason that certain groups of workers are underpaid in this country is no reason that other workers groups likewise should be underpaid as a class, such as the postal workers, or the other Federal employees. Two wrongs should not make a right.

We in Congress should strive to see that no economic group is left behind the general progress of the people of the United States. And particularly should Congress see that Federal and postal employees are adequately safeguarded who have no right to strike and whose very existence depends on fair treatment from the Congress. The willingness and quiet cooperation of these employees and their families should not be held against them. In my estimation the postal employees' unions are well run, and their officers have always been capable and friendly in their representation with my congressional office.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise to support this postal pay bill. It is unfortunate that important legislation like this must come before the House during the rush period so near adjournment time. Because of opposition and pressure from the Post Office Department the majority opinion was sidetracked by all sorts of parliamentary maneuvering and delay.

The Post Office Committee after long hearings and debate voted out months ago, rate and pay bills. But the House never got the opportunity to pass on the bills in a normal way. That is administration responsibility. I am not impressed by those who picture national bankruptcy every time a proposal is made to lift the level of living for the average American citizen. There was no thought of bankruptcy when this Congress voted costly tax benefits and other favors which were so beneficial to high-income groups and big financial and monopoly interests.

There are some who may think that the way to solve the problems of the Nation is to adjust ourselves downward and backward. Destroying labor unions would be one way to do this. I believe we should look in the other direction. The challenge of abundance which baffles this administration should be met by improving the opportunities for good living for all of the American people.

Let us not be influenced by the hollow charge of irresponsibility. That charge comes with poor grace from opponents of this bill. Is it irresponsibility when Members refuse to yield to the pressure of the executive department and the corporate interests who have been using their influence for the Summerfield bill? Is it irresponsibility to vote for the Corbett bill which a majority of the committee adopted after rejecting the administration measure and after lengthy hearings on pay legislation?

Who the irresponsible are depends very much on viewpoint and philosophy. It seems to me that it is gross irresponsibility to support the vast giveaway program of the Eisenhower administration. The refusal of this administration to take positive action on an antirecession program is tragic irresponsibility which ignores the waste of real wealth in human and natural resources.

Yet some supporters of these policies have been most vocal in charging irresponsibility to those who differ with them on the bill now before us.

Those who now cry irresponsibility are those who voted for the package postal rate and salary bill which would have put a more disproportionate burden in postal rates on those who now pay more than their share. They would also continue the big subsidy handouts which contribute so much to the postal deficit.

They would put in a pay bill a so-called reclassification proposal which would weaken or destroy the merit system and employee unions. Is that what they mean by responsibility?

I do not question the sincerity of those who oppose this bill, but I cannot see where it takes much courage to be on the side of the powerful forces which oppose this pay bill.

It does not take courage to shift more of the cost of mail service on the helpless average citizen who is the big user of first-class mail. If there be such a thing as courage it is not on the side of those who have praised each other so highly today.

If there is any irresponsibility associated with postal legislation in this Congress those who have blocked orderly procedure must be the ones to answer. Postal and Federal employees are entitled to a salary increase. If you agree then vote for this bill.

Mr. MURRAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, political expediency, the wish to be reelected, and a sincere conviction that postal employees are entitled to an increase in pay might induce me to vote for this bill if it carried a provision whereby the money to meet the additional expenditure might be obtained, were it not for the fact that practically every Member of this House knows that the passage of the bill is a futile gesture. This bill will not be passed by the Senate.

This bill was, in a sense, written by the union representatives of postal organizations.

It would create an additional deficit and increase the national debt by some $200 million.

While it provides for appropriations, it makes no provision for obtaining the tax dollars necessary to put it in operation.

It means additional borrowing.

It means additional interest charges on an ever-increasing national debt.

Our action here today is futile, for we have been advised that this bill, if adopted by the Senate, will be vetoed by the President.

The fondest hope of its advocates seems to be that, by sending it to the Senate, back will come a bill, not this bill, but a bill which the House might and would have accepted a month ago and which was acceptable to the rank and file of postal employees.

Why have we not been realistic? Is it because Mr. Dougherty, head of one of the unions, has sat in the gallery and called the signals for House action? That has been charged. I doubt the accuracy of that view, but I cannot lend support to any legislation which seems to be the result of pressure groups rather than the sound judgment of my colleagues.

Permit me to repeat as I have many times stated to representatives of postal employees from my own district, I will vote for a fair, moderate increase of compensation to postal employees, but I will not, just to obtain the political favor of representatives of postal employee organizations, blindly follow their orders. An official statement, which throws at least some light on the present situation,

is that carried in full page advertisements in some of the larger dailies. It reads as follows:

LET'S TAKE A SQUARE LOOK AT WHAT IT WILL COST TO DO RIGHT BY POSTAL EMPLOYEES

(This advertisement is published by the National Association of Postmasters, representing 33,000 postmasters, and the National Association of Postal Supervisors with a membership of 20,000 in the interest of fair play for postal employees and for American taxpayers)

We are sure that the people of the United States do not want to see postal employees underpaid.

Neither do we. For we are the men responsible for postal service in our local communities and for the morale of the half million loyal men and women who do a great job in handling the mail.

We believe that what the men and women of the postal service want is what most Americans want. They want a pay level that lets them live in self-respect among their friends and neighbors, the people they serve.

They want the feeling that they can get ahead in their jobs, that they can work their way up as they gain skill and experience, that good work will win promotions and salary increases, which for years has been lacking in the postal operation.

We postmasters and postal supervisors believe we know something about the communities we serve. We are citizens of those communities. We take part in their social and business life. We have an obligation to them, as postmasters and supervisors and as American citizens.

It is against this background that we say there is an urgent need for the new rewards provided in the administration proposal, H. R. 8648, known as the Rees bill.

WHAT IS THE PRESENT WAGE PATTERN?

At the present time the average regular letter carrier and postal clerk receives $4,067 a year.

That is $1.96 an hour, or 17 cents more than the average pay of industrial production workers, including lead foremen.

It is above the level of pay for thousands of schoolteachers and many school principals.

It is higher than the pay of thousands of other white-collar workers in private business, who clerk in stores or work in offices.

Throughout the postal service, a similar level of pay exists, a pay level which for the most part is higher than that for comparable work in other branches of Federal service.

On this basis, we believe it is fair to say that what is most needed now is not a blanket pay increase—but a program which will supply what always has been lacking in postal service—the opportunity for advancement and increased pay—and the pride and satisfaction of winning recognition for extra skill.

WHAT THE ADMINISTRATION BILL—REES BILL—PROVIDES

Contrary to general belief—no postal employee will receive less than he now gets, under this bill—and the great majority will receive some immediate increase by adjustment of their present salaries to new step rates.

The overwhelming majority of employees will receive about $100 a year increase, either because the top rates for their positions will be increased, or because the new entrance salaries and step rates are higher.

The present longevity schedule will continue unchanged. A most important result of the proposed pay plan will be the upgrading of thousands of positions to be filled by promotion from within at higher rates of pay.

The estimated cost of this program to the Post Office Department would be $80 million. But we believe this added cost will be reflected in better service.

WHAT'S THE ALTERNATIVE?

For many years, postal pay increases have followed the familiar pattern of the same-for-everybody—a flat increase in the hourly rate.

There are some who think that this pattern should be repeated—and the figure discussed is 40 cents per hour. That would mean $800 a year increase for half million postal employees—which figures out to $400 million in total.

It would hardly be fair to grant such an increase in one branch of service without providing for other Government employees—and when the adjustments are made across the board, the bill to the taxpayers would come to $1,200,000,000.

We cannot believe the American public wants to take on this added burden at this time. And we cannot believe that the men and women in postal service would want their friends and neighbors to feel that they had a part in adding this burden to their tax bill—when there's a way to reward loyal service and good work at a more reasonable cost, as promised in H. R. 8648.

WHAT THIS PAY ADJUSTMENT AND INCENTIVE PLAN (H. R. 8648) DOES

It provides equal pay for equal work—and more pay for more responsible jobs.

It corrects injustices in the wages paid postal employees.

It provides opportunities for advancement and greater earnings.

It fairly grades all postal jobs by duties and responsibilities.

It provides badly needed rewards for promotion.

It increases starting salaries generally to aid recruiting.

It gives pay increases, on the average, of 5 cents an hour to 4 out of 5 postal employees.

DOES NOT DO

It does not increase the power of the Postmaster General to change salaries. Actually it limits his powers by requiring him to classify jobs on the basis of difficulty and responsibility.

It does not remove employees from the protection of civil service or veterans' preference laws.

It does not reduce the salary of any employee now on the payroll.

It does not give any employee a $5,000 increase. The postmasters of the few largest cities could receive increases of $1,030 a year.

It does not continue the present injustices in the wage structure by giving all employees the same increase in dollars, irrespective of their duties and responsibilities.

It does not affect the average of 4 weeks paid vacations, 13 days sick leave, and 8 paid holidays for all postal employees.

NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS.

P. S.—We think it's only fair to let you know that the average salary of all postmasters is now $3,143 per year. Excluding fourth-class postmasters the average salary of all first-, second-, and third-class postmasters who are appointed by the President and confirmed by the Senate and who supervise the work of other postal employees is $4,340 a year. This figure is less, by $30, than the average salary of 25-year service letter carriers and postal clerks who earn $4,370 yearly.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I want first to pay a tribute to the gentleman from Tennessee [Mr. MURRAY] who addressed us a few moments ago. His remarks were the remarks of a person with long years of experience in Post Office Department matters, and his remarks were those of a statesman and a man of courage. I want him to know I agree thoroughly with the opinion he expressed as to the fine work of Postmaster General Summerfield, and I join in the position he is taking on this particular bill.

Mr. Chairman, I am going to vote against this bill, and I am going to do so because I think it is bad legislation. In fact, if you will review the remarks of the gentleman from Minnesota [Mr. HAGEN] earlier in the day, where he advised that those Members who had signed the discharge petition were released, as far as he was concerned, from voting for this particular bill, you will find he admitted there were defects in the Corbett bill which is now before us and on which it is not possible for the House to work its will because there is no possibility for amendments to be considered.

Mr. Chairman, I never have, and I will not now, vote for what I believe to be unsound legislation for the sake of expediency. Any legislator, of course, and particularly as election times approach likes to vote for legislation that will please a particular group of voters. I would point out, however, that our responsibility is not to particular groups, but it is to the public generally. Our responsibility is to vote for the public good and an election or no election is not going to sway my judgment in that respect.

Is this bill justified and is it in the interest of the general welfare? That is the question, it seems to me, we should ask ourselves. So far as my answer is concerned, it is that it is not justified and not in the interest of the general welfare. In the first place, it will increase the cost of postal service to the taxpayers of this country by over $200 million a year without 1 cent of additional revenue. It will do so at a time when the Department is already operating in the red. I voted for an increase, as did the majority of the Members of the House, for postal workers a few weeks ago when we considered a bill to increase postal pay coupled with an increase in postage rates. That approach was fair to the general public and fair to the postal workers. Certain leaders of the postal unions, however, defeated that bill.

Besides not being in the public interest this bill is not in the interest of the postal service. It will increase and intensify the inequities which we all know exist in our present postal pay system. The pay differential between the supervisory and nonsupervisory personnel today is unbalanced, and we all know it. This bill will aggravate that particular problem. This bill does not even treat two employees who are doing the same job on an equal basis. Permanent employees will get a minimum increase of $240 and a full-time substitute, a person working every day, of which there are about 70,000, will be increased by about $200. So that even the same job receives different treatment in this particular bill. This bill does not insure

early reclassification of postal positions based on job responsibilities. In fact, the earliest we could expect reclassification would be 1957.

Mr. Chairman, in my opinion, this bill has three major defects. First, it raises the cost of the postal service without providing any revenue to help meet these additional costs. Second, it aggravates existing inequities in postal pay; and, third, it makes a badly needed reclassification of postal positions improbable and most difficult of accomplishment.

This bill should be defeated. We should support the chairman and ranking minority member of the Post Office and Civil Service Committee.

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

Mr. BYRNES of Wisconsin. I yield.

Mr. JACKSON. Mr. Chairman, during my years as a Member of this great body, I have had to stand up and be counted on many occasions when I had to choose between the popular vote and the right vote. None has been more difficult than the vote I shall cast today.

Today we vote on the discharge petition signed by 218 of my colleagues. I was not one of those who signed this petition. I did not sign for several reasons.

First, I did not sign the discharge petition because I refuse to bow to the pressure and coercion of the leadership of the postal unions.

I know the postal workers in my district. They are my friends and they come to me with many problems and together we talk the matter over. Even when we do not agree, we usually come to a mutual understanding of our problems. It is not to this group of workers whom I know and work with in my home district, that I direct this complaint of pressure tactics.

Seldom since I have been a Member of the Congress have I seen 2,000 people walking the halls of the office buildings as they did the other week.

Never before have I seen the halls outside this Chamber crowded by a group that was captained and generaled by labor-union leaders. As you remember, they were at every entrance of this Chamber stopping and trying to pressure every Member to sign the petition that today is being discharged.

Every citizen of the United States has the right to petition. No one denies that. But I, for one, resent the brutal pressure that was put upon me and my colleagues by a group of labor leaders who have no desire to do anything but to rule or ruin.

Secondly, I did not sign this discharge petition because it provides for legislation under gag rule, and Members have no chance to amend its many inequities.

Thirdly, I did not sign the discharge petition because the Corbett bill, in my opinion, is not a sound bill. It will cost the American people $200 million and it does not correct any of the present salary inequities in the postal service.

In the fourth instance, I did not sign this discharge petition because I am going to vote against this bill. I cannot in good conscience vote for spending all that money when there is no provision to raise the money.

There are those who are Members of this body who resist the raising of the postal rates because they think it is politically expedient this election year to leave the rates alone.

But given the facts, I think the American public would applaud our courage.

One of my colleagues has stated, and I understand that it is true, that since World War II the Post Office Department has shown a deficit of more than $4 billion.

My colleague further stated that that money is part of the national debt of $275 billion.

My colleague further stated that that interest alone on that $4 billion amounts to $100 million annually—$100 million to be paid by the taxpayer this year and I am afraid for many years to come in order to pay the interest on the $4 billion which we already owe on our postal bill.

I cannot justify a vote for this Corbett bill if I have to go home and tell the taxpayers, and my postal workers, that I am adding $200 million annually from here on out to an ever growing postal deficit.

Mr. Chairman, I am in favor of granting a wage increase to the postal workers. But, Mr. Chairman, I would like to be placed on record that today—though I shall not vote for this bill—I hope that before this Congress adjourns I will be given another chance to vote a postal pay bill and a rate bill which will pay the cost.

Mr. Chairman, today I choose the right vote—even though it not be the popular vote.

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

Mr. BYRNES of Wisconsin. I yield.

Mr. LAIRD. Mr. Chairman, the gentleman from Wisconsin [Mr. BYRNES] has made a splendid statement. Due to the fact that this bill was brought up under a discharge petition prohibiting any amendments, it is impossible for us today to act upon a bill which has any possibility of becoming a law. The conversation off the floor of the House is "go ahead and vote for this bill as it doesn't have a chance of becoming law." We are told that it will either be amended to a lower figure by the Senate or vetoed by the President. The vote here on the floor this afternoon means absolutely nothing as it is a purely political vote. The heads of the postal unions here in Washington and the sponsors of this bill know that it is not acceptable to the President. By voting for this bill today, we are deceiving every postal worker in our country. We are raising false hopes in his mind for a 7 percent postal raise when a majority of us on the floor of the House today know that this will never take place. This action will be perhaps the greatest display of political demagoguery which we have witnessed this year. If the bill does reach the White House in its present form, those who voted for it today must accept the responsibility for the workers not receiving a pay increase in 1954.

On July 21, 1954, I supported and voted for a postal pay increase bill which would have been signed by President Eisenhower. It provided for:

First, a 5 percent postal wage increase with a $200 minimum;

Second, one additional longevity grade of $100;

Third, $100 allowance for uniforms;

Fourth, a raise for transportation employees' expense allowance from $6 to $9 a day;

Fifth, a reorganization and reclassification provision which provided that the Congress would retain control of reclassification by approving or disapproving by a simple majority vote any reclassification plan submitted by the Postmaster General; and

Sixth, an increase in postal rates to finance a large portion of the increased expenses of the Post Office Department;

If the bill we are acting upon today is not amended to bring it in line with these provisions which the executive department feels are absolutely necessary in order to maintain some semblance of fiscal responsibility in the operations of our Federal Government, the postal workers will receive no increase until the next session of Congress. It is because I believe that these postal workers are entitled to consideration that I am taking the position I am today.

There undoubtedly will only be a handful here on the floor of the House that will take this position, because it is not a popular position. It will be the popular position if this bill does reach the White House in its present form. Even the postal union leaders here in Washington will recognize their mistake, but it will be too late after it has been vetoed.

It is vital that Members of this House consider these facts carefully before taking action on this bill. At this very moment our Federal Government owes nearly $275 billion, and we are at the ultimate limit of our national debt ceiling. Since the end of World War II the postal deficit has amounted to more than $4 billion. The taxpayers are paying $100 million a year just as interest on that postal debt.

It is true that the Post Office Department is a service organization. It is also true, however, that our highway, city water, and sewer systems, just to mention a few, are also service facilities. For these facilities we expect to pay and do pay taxes through our water bills, sewage bills, or gasoline taxes and license fees. Is it not logical that if we are going to continue to increase the expenses and give necessary salary increases to postal workers that we should also be willing to assume the responsibility for increasing postal rates to take care of these services?

How can we face the voters back home and tell them we voted for this legislation which will cost the taxpayers an additional $200 million a year but we are unwilling to vote for a single red cent of revenue to meet the additional costs? By passing this legislation today we will merely be deciding to pass the bill on to our children and grandchildren in the form of a still larger national debt to be paid for by them sometime in the future.

Mr. Chairman, every Member of this House would like to give the postal employees a raise in pay. I have this year voted to give them a raise in pay myself, but as responsible legislators we must be able to pay for these salary increases. The only way we can pay for them is to provide additional revenue through higher postage rates. The voters of this country decided in 1952 that we wanted fiscal responsibility restored to Washington, D. C. I do not believe they have changed their minds. I am sure President Eisenhower has not changed his.

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

Mr. BYRNES of Wisconsin. I yield.

Mr. CEDERBERG. Mr. Chairman, I want to state so far as I am concerned, I will have no part of the fiscal irresponsibility of this bill. It is fiscally irresponsible to add $200 million to the postal deficit and not provide some income to the Department.

Mr. BYRNES of Wisconsin. I thank the gentleman.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MORRISON].

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

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

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

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

There was no objection.

Mr. REAMS. Mr. Chairman, I rise to support this bill. I would have preferred that this matter come before the House under normal circumstances so that there might be a rule and open debate on the bill. Since that was denied the membership by the Committee on Rules, I am glad to have this opportunity to vote on a bill which has genuine merit.

It was voted out of the Post Office and Civil Service Committee after a total of 55½ hours of hearings. Everyone who asked to be heard was give that opportunity. Some came back to testify the second time. This was true of representatives of the employees and also of the Postmater General's staff. It was then considered in executive session through many hours. Many amendments were offered. Some were rejected and others became a part of this bill. It was reported out of the committee by a decisive majority of the total membership of the committee.

This bill has in it all of the elements which I announced at the beginning of this session of Congress I would favor in a post-office bill. These elements are—first, a fair pay raise for postal workers; second, a plan for re-classification of employees; third, some fringe benefits, particularly uniform allowance for those required to wear uniforms.

This bill complies with these three requirements and the pay raise is on a percentage basis which lends itself to a proper job reevaluation. It offers the incentive of more pay to those carrying greater responsibility and more difficult work. This, I believe, has all the elements of a good bill.

I voted recently, with many of you, here in the House for the combined pay raise and postal rate bill. Although I did not like the manner in which that bill was brought before the House, I was in favor of both a pay raise for the employees and a postal rate bill. So I was not willing to refuse to cast my vote for the measure merely because it did combine two features which should not be joined together in order that one may secure votes for the other.

During 1953 we had committee hearings on the subject of postal rate raises through many long hours. Everyone who desired to be heard on that subject was heard fully. It was reported out of committee in February of this year. There was no action on this until it was brought into the House 2 weeks ago combined with the employees' pay raise bill. The reasons for holding up the action of the postal rate bill for 6 long months were not given. Whatever they were, these reasons were not sufficient to justify those who now come before you and tell you that these employees of the postal service cannot have a pay raise because you have not passed a rate increase. If those who seek to defeat this bill before you today had busied themselves in February, there could be a rate bill in effect today.

I urge you not to penalize the postal workers because we have not moved promptly, wisely, and courageously on the matter of the rate bill.

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

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

There was no objection.

Mr. GRANAHAN. 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.

"BLITZ" CAMPAIGN TO SIDETRACK FAIR POSTAL WAGE RAISES

Mr. GRANAHAN. Mr. Chairman, practically every trick in the parliamentary book has been used in recent months to prevent the House of Representatives from voting on the simple issue of giving postal workers a fair raise in pay.

Even though the House Committee on Post Office and Civil Service reported out a postal pay increase bill on June 15—after the most intense pressure from the Post Office Department to sidetrack the Corbett bill—this is the first opportunity we are having to vote on its merits. And we have that opportunity only because 218 Members of the House—a majority of the entire membership—took the extremely unusual step of signing a discharge petition to force it to the floor for action.

Otherwise, it would have been buried in the House Rules Committee, under a parliamentary grave-digging procedure. Had we not succeeded in getting 218 of of the Members of the House to sign that petition, we could never have brought this bill up for debate.

But even after the discharge petition was signed by sufficient Members to make it effective, we had two parliamentary tricks attempted to prevent the bill from actually coming up.

First was the leadership maneuver to call up this bill under suspension of the rules, knock out all of its provisions and substitute for it the administration's watered-down postal pay measure, and then combine it with a bill to raise the rates on mailing first-class letters out of town from 3 to 4 cents.

In other words, in order to give the postal worker an inadequate raise in pay, we would also have had to make the people of this country pay extra for first-class mail, even though this is about the only kind of mail which pays its own way through revenues and which even shows a profit for the post office.

This maneuver did not succeed, thanks to Democratic votes plus some help from some Republicans. We were determined to hold out until today so that, under the Rules of the House, we would finally have an opportunity to vote on the merits of the Corbett bill. Therefore, the attempt to substitute Postmaster General Summerfield's bill for the Corbett bill and then join it with the postal rate increase bill and pass them both together failed to receive the necessary two-thirds vote required under suspension of the rules procedure.

WHEN ONE DEVICE FAILS, TRY ANOTHER

Following that defeat on July 21, the House leadership came up with a new technique for blocking the Corbett bill. That was an attempt to jam through a resolution calling for the adjournment of Congress on July 31. If the Congress adjourned July 31, why, obviously, we would never reach the Corbett bill since under the rules it could not come up until August 9. Even if the Congress were still in session today, however, the idea in passing an adjournment resolution was to set an adjournment date so close after August 9 that it would again be impossible under our strict rules to call up this bill. Bills called up under discharge petition procedure cannot be considered in the final days of a session—and that was the whole idea.

That attempt failed once—on July 29. But it was tried again, on July 30, and this time the House did pass an adjournment resolution calling for a July 31 adjournment. Of course, everyone knew we could not possibly adjourn by July 31 in view of the mass of bills still awaiting action, but there was a trick to that, too. The idea was the Senate would amend the concurrent resolution on adjournment to include a date too soon after August 9 to allow for House consideration of the Corbett bill.

Again, the best laid plans went astray, because the Senate itself was so jammed up it never got around to amending and passing the adjournment resolution and still has not done so.

Consequently, the order of business today is automatically the Corbett bill. But the House leadership here does not give up easily, I will say that. The only way the Corbett bill can be amended on the House floor under the discharge petition procedure is if the House Com-

mittee on Post Office and Civil Service, as a committee, recommends some change. And so this committee was called into session at 11 o'clock this morning to be high pressured into proposing an amendment to its own bill, a fair and reasonable bill providing a far from generous increase to postal workers. It does not go nearly as far as my own bill, but apparently it is still too generous by the Postmaster General's standards.

If all of this has sounded confusing and complicated, Mr. Chairman, it is only because that is just what it is. There has been an all-out drive here, inspired by the administration, to sidetrack the Corbett bill at all costs. Well, Mr. Chairman, I am for the Corbett bill—as far as it goes—and I shall vote for it. I am strongly in favor of similar raises for the classified employees, for whom I have also introduced an $800 a year increase bill.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield.

Mr. MILLER of Kansas. 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 Kansas?

There was no objection.

Mr. MILLER of Kansas. Mr. Chairman, I rise in support of H. R. 9245 which is a step in the direction of doing plain justice to the postal workers of the United States. It is justice already too long postponed. I disapprove of the effort to tie in the provision of a just recompense for service rendered with the questionable effort to increase the first-class postal rates to pay the cost of the increase. The justice of the claim of the postal employees does not depend upon the income from postal service but rests solely upon quality and quantity of the service rendered. I shall vote for the bill.

Mr. MORRISON. Mr. Chairman, as a member on the Democratic side of this committee, I am in the same degree in support of this bill as my distinguished colleague from Tennessee [Mr. MURRAY] is opposed to it.

I would like to say at this time when we speak of compromises I do not think we have ever had a bill in this House that represented more of a compromise than this Corbett bill does. It was not all the postal workers wanted; it was not all that the Department wanted; it was not all that everybody wanted, but the committee, after holding long hearings, heard the Postal Department first, the postal associations came in next, then the departments were allowed to come back. If there ever was a committee hearing that was open to everyone, this committee did it on this particular bill and gave everybody an opportunity to be heard.

In my humble opinion, I do not see any unusual pressure from any postal organization. They came in like the other people did, who were interested in this bill and gave their side of the picture. The postal representatives made an excellent case. Almost a 2 to 1 vote in our committee, 14 to 9, out of 25 members, came out for this Corbett compromise. This other bill, the Rees bill which was voted down recently, was not a compromise. It was a compromise to a compromise. I say you have a fair compromise to vote on today. Let us not vote for any other compromise by recommitting this bill.

The Rules Committee could have reported this bill to the House, subject to amendment, but they saw fit not to do so. So we have no other recourse but to vote it up or down. You all have respect for your committee and I think you have respect for our committee, and I think you can rely to a great extent on all of the members of our committee giving this bill a tremendous amount of study and hearings on all sides and reporting the best bill possible.

Mr. HAGEN of Minnesota. Mr. Chairman, I ask unanimous consent that all Members who have spoken may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. ST. GEORGE. Mr. Chairman, the bill is a perfect example of demagogy in action.

Almost everyone is for the measure, knowing it would never become law. They will vote for it simply to be able to go home and say: I voted for a pay raise. We have indeed fallen on evil times if such things are the order of the day.

I have noted the great concern of the postal employees, and others, over the situation in which the so-called Corbett bill finds itself. From the first it has been clear to those of us who have made a study of the problem and who wanted to be fair and forthright, as far as the pay for postal employees were concerned, that the Corbett bill had no chance of becoming law. Even if it passed, according to the best information I could obtain, it would be vetoed by the President. I may say that on this question, my source of information is as good as anyone's.

Some time ago, in an effort to bring out a bill which would have general agreement, Mr. REES, the chairman of our committee, the author of the Corbett bill, and other leaders including the Speaker and the majority leader, attempted to work out a bill which would be acceptable to the President. An agreement was reached, and the report filed. The bill was then ready to be voted on under a suspension of the rules and passed by the Congress, if two-thirds of the membership voted in the affirmative. I voted for the bill, but it lacked a two-thirds majority by exactly six votes. This substitute bill would have cost the Government, namely the taxpayers, $152 million per annum, yet this was considered entirely too little by the employee leaders.

More than a million employees paid under the Classification Act insist on equal treatment. The Secretary of Defense has said he felt he had an obligation to request a similar increase for the more than three million in the Armed Forces. Veterans who receive benefit checks are of the same mind.

Looking at this whole picture and realizing that several billion dollars are involved in the increase of 5 to 7 percent for all of the groups I have mentioned, perhaps it will be easier for you to understand why, as a matter of policy, the only approach for the postal employee's salary increase was one which included an informative beginning on reclassification.

Much as some of the employees have been led to believe it was not desirable, it is really the only justification for a salary increase, taking into consideration the fiscal situation of our Government.

Since I have been in the Congress I have worked to the best of my ability for the postal employees, and all other Federal employees, to help them with their problems in relation to the Government, and of course I realize that the question of salaries is of paramount importance to them all.

I am, however, a firm supporter of the President and his program and, in my opinion, we have come to the time where we must decide whether the Government of the United States is to be run by a few willful leaders and their well-paid lobbyists, or whether it is to be governed by an administration put into office by the overwhelming majority of all our people.

Mr. JOHNSON of California. Mr. Chairman, I am in favor of H. R. 9245, which we are considering today.

Considerable controversy has been indulged in as to the merits of this particular bill. Also as to whether other bills, which were considered by the Committee providing for pay raises for postal employees, a reclassification of employees, to be made and submitted to the House Committee on Post Office and Civil Service, would be better bills than the one now before us.

This is a good illustration of the statement frequently made that practically every legislative proposal finally winds up as a compromise. It is obvious to anyone that the postal employees are having a difficult time in maintaining their present standard of living. This is especially true in larger cities, say of 50,000 or over, where the cost of living is much higher than in rural areas. These employees are devoting their life to this work, and I am hoping that we can compensate them adequately so they will continue in the service. I believe in postal workers who are career employees. It is obvious that some of these, especially in great urban centers, are having an extremely difficult time.

There is no clear-cut yardstick as to what is adequate compensation. But it does seem true that there should be some increase in the pay, especially for those in the lower pay brackets.

We are hoping that a good classification report may be submitted to the committee, so it may write a more scientific pay bill for our postal workers. We should, of course, adjust the pay to the responsibilities of the respective groups involved. That is done in private industry and I see no reason why we could not apply that principle with a broad degree of equity to our postal service. Those who are trained in this field of governmental endeavor have told us that it is feasible to place such a principle in

a law. That would give adequate incentive to beginners to work hard, learn the skills required, and gradually continue to rise into more responsible positions as they get older.

I realize that this bill will cost money but I can think of no more worthy group in the governmental structure of the Nation than the postal workers. These in brief are the reasons that impel me to vote for this bill. The fact that it was impossible to get it out of the Rules Committee made it necessary to bring it to the floor by the method of a discharge petition. Since I felt that the bill was bottled up, although it had been reported by the committee, I was one of those who signed the discharge petition which finally brought the bill to the floor. Ordinarily I do not sign this kind of petitions, but in this case, I was committed to support a reasonable pay increase, and the only way that I could carry out my promise was to help get the bill to the floor of the House for consideration, which I did by signing the petition, that finally brought it up before us for consideration.

I sincerely hope that the President will not veto this bill.

Mr. BYRNE of Pennsylvania. Mr. Chairman, it is with pleasure that I today cast my vote in behalf of H. R. 9245, which has for its purpose a salary increase and other benefits for our postal workers.

Our previous efforts to secure these well-deserved benefits have been deadlocked. After signing the discharge petition which would have permitted H. R. 9245 to be considered on the floor, the bill was brought out of Committee with two very objectionable clauses, which, it was felt, would hinder rather than help the employees of our Post Office Department. One of these clauses limited the salary increase to 5 percent; the other boosted postal rates on first, second, and third class mail and on airmail. It is to the credit of this Congress that the bill failed to receive the two-thirds majority vote which it needed to pass.

It appeared for a time that Congress would adjourn before H. R. 9245, in its original form, would be brought before us for a vote. We now have the opportunity and must make every effort to see that it is passed.

It has come to my attention that this legislation will not be looked upon favorably by the administration. Failure to sign it into law will be a gross injustice to the postal employees. It has been 3 years since these faithful workers have received a pay increase. During that time the cost of living has risen steadily while their salaries have remained static. Many postal workers' wives have found it necessary to leave their children during the day and seek outside employment in order to bring the family income to a reasonable standard. In addition, many employees hold part-time jobs after working a full day for the Post Office Department. Debt and hardship are no strangers to them, yet they continue to operate efficiently and willingly in one of the most tedious and least-appreciated fields in the Federal service.

Surely, we would be helping not only the 500,000 postal employees, but also all those whom they serve, if we stand united behind this legislation. Let us endeavor to see that it is enacted into law as soon as possible.

Mr. BARRETT. Mr. Chairman, once again I rise in support of a pay raise for postal employees. It is the postal employees who have compromised in accepting the provisions of H. R. 9245 in lieu of the flat $800 increase they originally requested. They have also abandoned their requests for other benefits to which they are rightfully entitled, with the hope of obtaining a 7-percent increase.

The fact that 218 Members of Congress signed the petition to discharge H. R. 9245 from the House Rules Committee is ample evidence of the support for this measure. I hope that all of those Members are here today to vote for the approval of this bill.

The President in his state of the Union message emphasized the importance of remunerating all Federal employees adequately in order to secure and retain competent people. He also pointed out the importance to the morale of Government workers of paying them decent and equitable wages.

I am firmly convinced that the postal employees are entitled to a flat $800 annual salary increase, and I know that this figure was not picked at random. It was recommended after a careful survey of the salary scales of post-office employees as compared with private industry throughout the past 15 years. A comprehensive comparison of average weekly earnings of production workers in manufacturing industries during this period was presented to the House Committee on Post Office and Civil Service.

It is quite difficult to compare the salary of postal employees with other production employees as the former, after several years of training, acquire skills which are unique to the postal service and do not lend well to mechanization. Speedy delivery of letters and packages is dependent largely upon the trained eye and memorized schemes of the postal employee. The specialized knowledge of a postal employee is salable only to the Post Office Department. If after contributing 5, 10, or more years of his life tc the postal service an employee is unable to provide adequately for his family, he cannot seek other employment on the basis of previous experience. Consequently, most postal employees merely sweat it out and supplement their meager incomes with outside employment that taxes their physical energy and mental alertness. It should not be necessary for postal employees to engage in other employment and it would not be necessary for them to do so if the Congress authorized pay increases to adequately compensate these Federal employees who have served us so well and faithfully over the years.

From 1945 to 1951 mail volume increased 27.7 percent, while personnel increased only 14.3 percent. This, of course, reflects a great increase in individual productivity. It cannot be denied that the postal employee is entitled to share in the benefits of increased production and a salary based on the American way of life. Throughout history the postal employees have shown their faith in our Government's recognition of services rendered well and above the call of duty. It is admirable that they have maintained this faith and I sincerely hope that the 83d Congress will not let them down.

If we are going to build up and maintain a postal service that provides an incentive for the best qualified and most productive employees to make it their life's work, we must maintain pay at reasonable levels. For that reason, and to alleviate the hardships that so many postal employees are facing with rising prices in recent years, I believe this Congress should approve the measure before us today, H. R. 9245.

Mr. SIKES. Mr. Chairman, we in the House of Representatives welcome the opportunity to vote for a pay raise for postal employees. We recognize the fact that costs of living still are increasing; that they probably are higher now than ever before; that no effective steps are being taken or even planned to reduce living costs. Therefore most of us are glad to accept the responsibility of providing more adequate compensation for Government employees.

I consider it unfortunate that we cannot under the parliamentary situation here today include amendments to increase compensation for all Government employees and for military personnel as well. Theirs is a serious problem also and their plight is one deserving of consideration and action.

This is not a perfect bill. But it has many good provisions, and its shortcomings should not prevent action today. Only by action today is there a chance during this session of Congress to help a large and deserving group who need our help. Therefore I support the measure now before us and I hope it can be followed within a short time with broader legislation to complete the job for postal employees, for other Government employees, and for military personnel.

"SOAK THE PUBLIC" MAIL RATE BILL DIES SLOW BUT SURE DEATH AS HOUSE BACKS AWAY FROM "BUM DEAL"

Mr. LESINSKI. Mr. Chairman, some months ago I called to the attention of the House the fact that we had a very important bill on the calendar which seemed to be stuck there without being brought up on the floor for debate. It was the bill to raise postal rates—to raise the cost of mailing a letter from 1 city to another from 3 to 4 cents.

I asked at that time, "Why the delay?" I pointed out that for months during which time this bill was on the calendar, the House has been meeting only a few days a week because no important legislation seemed to be ready. And yet here was this bill on the calendar all the time.

Here was a bill, I said, which was entitled to much consideration. The House, I said, should have opportunity to debate it at length, because it was my view then—and of course it is still my view—that there was no excuse whatsoever to raise rates on first-class mail from 3 to 4

cents, or 33⅓ percent, because first-class mail already paid for its own costs of handling and even made some extra money for the post office to help meet losses on other types of mail.

But since the Postmaster General was insisting on a raise in first-class rates, and since a majority of the members of the House Committee on Post Office and Civil Service had agreed to go along with him with reservations on that and had reported out his bill to raise postal rates on first-class and other mail, I felt it was an important enough matter to be brought up under regular order and be accorded full and complete consideration.

But the bill just sat on the House calendar untouched, while we held many short sessions of the House and some days did not meet at all for lack of legislation before us.

And so I asked several months ago, Mr. Chairman, "why the delay" on that bill? I reported a rumor I had heard and said I hoped it was not true—that it sounded to me too much like legislation by blackmail.

THE FANTASTIC RUMOR THAT TURNED OUT TO BE TRUE

The rumor was that the mail rate bill was being held up pending committee action on a bill to raise postal wages; that the two bills would be tied together on a take-it-or-leave-it basis, and that we would be asked to raise first class mail rates unnecessarily and unfairly in order to raise postal wages at all.

We all know now, Mr. Chairman, that that rumor I cited several months ago turned out to be amazingly accurate. Rumors often turn out to be false, but this one was a bull's-eye right on the target of fact. For the House leadership attempted exactly the kind of double play I had reported was being rumored several months previously.

Thanks to most of the Democrats and a few of the Republicans here in the House, the double play attempt did not succeed. We defeated the combined bill. We are now getting our opportunity to vote on the postal wage increase bill separately.

And what is happening to that other bill—the one to raise postal rates? It has been on the calendar, as I said, since February 25. It is the only bill reported out by any House committee during this entire year to sit on the calendar so long and remain untouched. Only 21 other bills reported out of House committees have been hanging on the calendar longer than this one—and they are all dead ducks from the first session of this Congress last year. One of them, of course, is the Alaska statehood bill. That got on the calendar real fast—in June 1953—and it is still there, dying on the vine like many of the other Republican platform and campaign pledges of 1952.

HIGHER MAIL RATES COULDN'T PASS BY THEMSELVES

Why the delay on the postal rate bill? The answer is now all too clear; the Republicans do not dare pass such a measure unless it is tied up with and married to and disguised by some popular and worthwhile measure—tied together like a Siamese twin so that the Republicans could say they were really against it but had to vote for it in order to get something else through that everyone wanted.

The double-play failed, as I said, and so the bill to raise postal rates is not going to be called up by itself because it is a bad bill and few Members would want to go on record for a bad bill which soaked the public as this one would do.

I just wonder why such a bad bill ever got on the House calendar if no one really supports it and will stand up and vote for it by itself. Did Postmaster General Summerfield push the Republicans too hard on that one? Did he push them around?

THE "BUM DEAL" POSTAL RATE BILL IS DYING

After all, Mr. Chairman, when you look at the résumé of House action this year, you find that from January through July we were in session 111 days, for a total of 478 hours and 37 minutes, using up nearly 5,000 pages of the CONGRESSIONAL RECORD just on the debates; that we enacted into law 187 public laws aad 210 private bills; that we passed 1,117 measures altogether.

What I am driving at is that if Mr. Summerfield's bill to force the public to pay 4 cents to mail a letter had any merit at all, we would have had plenty of opportunity to take it up and discuss it between February 25 and today, and if it was any good at all we could have passed it the same way we considered and passed nearly 1,200 other bills.

But it was no good—it was a bad bill—and so it is being killed by hanging on the House calendar. And good riddance to it. It was not new deal, fair deal, square deal, or no deal legislation, but just a Summerfield "bum deal" bill.

It would have been a shame if the double-play attempt to hook that measure onto the postal pay raise bill had succeeded. The public would have been soaked by higher mail costs under a maneuver intended to slip it through on the coattails of another bill.

The Members who fell for Mr. Summerfield's strategy will have a hard time, I am afraid, explaining to their constituents why they voted for the 4-cent letter-rate bill when it was not necessary at all to do that in order to raise postal wages.

For here today the House is going to raise postal wages and we are not socking the public with a 4-cent first-class mail rate either. The Summerfield strategy backfired.

Mr. MERROW. Mr. Chairman, H. R. 9245 establishes a joint congressional committee to make a study of the postal field service reclassification. It increases the rates of basic compensation of postal employees pending reclassification recommendations. There is a $100 uniform allowance in the measure; certain changes are made in longevity grades; part of the Whitten rider affecting postal employees is changed; and provision is made for increasing the daily travel allowance for postal transportation service employees on road duty. The method of salary payments is changed; under this measure there will be 26 payments a year.

RECLASSIFICATION

This legislation sets up a committee to make a thorough study of the question of reclassification. This is to be a joint committee composed of seven members each of the House and Senate Committees on Post Office and Civil Service, including the chairmen of both committees. This, the Joint Committee on Postal Field Service Classification, is to report its findings to both Houses on or before May 1, 1955.

The report accompanying H. R. 9245 states in reference to this joint committee:

> It is strongly emphasized that the creation of this joint congressional committee does not in any sense close the door on participation by the Post Office Department in the investigation and study of such joint committee of matters relating to position classification and salaries in the postal field service. On the contrary, it is intended that this joint committee conduct its investigation and study to the greatest possible extent on a cooperative basis with the Post Office Department. Specific language is written into the bill to carry out this intent. It is expected that the joint committee will make full use of the wide and valuable experience of the Post Office Department and it is contemplated that representatives of the Department will work with and assist the joint committee on a continuing basis. The joint committee should place great reliance on the advice and assistance of the Post Office Department, both in carrying on the investigation and study and in reporting the results thereof. In addition, the joint committee should and could well avail itself of the wide experience and familiarity of the Postal Union representatives with the many problems involved. This procedure, it is felt, will provide the joint committee with all reasonably available information and evidence needed to assure a fair and objective report.

SALARY INCREASES

H. R. 9245 provides a salary increase of 7 percent for postal employees, setting a maximum of $480 per annum and a minimum of $240 per annum. The rates of hourly or part-time employees are increased by 10 cents an hour. Postmasters of the fourth-class offices will have rates increased by 7 percent.

I am glad that the House is considering this measure. I have long been in favor of an increase in wages for postal employees. This is well deserved and long overdue. The postal service is essential to the welfare of the Nation, and the employees in this organization are to be congratulated on the fine way in which they perform their duties in all kinds of weather and under a variety of conditions. There is no finer group of people in the Government service. Their compensation needs to be increased and I hope that this measure passes the House overwhelmingly and soon becomes a law of the land.

STATEMENT BEFORE COMMITTEE

On March 25, 1954, I appeared before the House Committee on Post Office and Civil Service for the purpose of speaking in favor of an increase in compensation for postal employees. At that time I presented the results of a survey made in New Hampshire. I said to the committee:

> A few months ago the letter carriers in New Hampshire conducted a survey in an

effort to ascertain the general economic situation in which the carriers of the State find themselves. This survey represents 323 New Hampshire families and 1,262 individuals. The results of the survey are as follows:

1. Thirty-one percent of all New Hampshire letter carriers have part-time work outside of the post office.
2. Seventy-three percent of the letter carriers' wives are working.
3. The average debt of a New Hampshire letter carrier is $650. (Does not include home mortgages).
4. One hundred percent said their debts have increased since the last pay raise.
5. Seventy-eight percent had to borrow from a bank or loan association.
6. Forty-eight percent borrowed or cashed in their insurance policies.

It is my understanding that the conditions shown as a result of this survey conducted in New Hampshire are similar throughout the country.

Mr. Chairman, the salaries of postal employees and classified civil-service employees have not kept pace with the cost of living. Therefore, a salary raise is deserved and the Congress should do something as soon as possible to alleviate the economic situation in which thousands of faithful and devoted employees find themselves. I am more than happy to have the opportunity of appearing before this committee in favor of legislation to increase the salaries of postal employees and classified civil-service employees.

I am glad that this measure is on the floor of the House. It is essential that a salary increase be effected before the close of this session of Congress. I shall support the bill and I hope that it passes with a decisive vote.

Mr. WOLVERTON. Mr. Chairman, the bill now before us, H. R. 9245, known as the Corbett bill, to increase postal workers' pay, deserves the favorable consideration of the Congress and approval by the President.

This bill, in my opinion, has the overwhelming support of this House. It is regrettable that the failure of the Rules Committee to grant a rule for its consideration has delayed its passage until this late day in the session.

In order to bring the bill before the House it was necessary, for those of us who favored the enactment of the bill, to sign a petition to discharge the Rules Committee of further consideration of the bill. This discharge resolution was favorably acted upon by the House today. This action now makes it possible for the House to consider the bill, the purpose of which is to increase the salaries of our postal workers. It is my opinion that the bill will be passed by an almost unanimous vote. It should be so passed, as it has real merit.

The situation that has arisen because of divergent views as between the majority of the committee and the Post Office Department has created considerable confusion in the minds of Members of Congress as to what is best to be done. This arises not only because of different views as to what the percentage of increase in salaries should be, but also because of the insistence upon the part of the Post Office Department to impose a method of reclassification of employees, and to attach a postage increase provision in the wage bill. The situation becomes more complex by reason of the charge made by certain leaders in the Congress that if the Post Office Department plan is not adopted then there will be no wage increase for the postal workers.

In my opinion it is unfair and unwise for the Post Office Department to take such a stand. First, with respect to the reclassification of employees as proposed by the Post Office Department. This plan is the work of an outside agency, a sort of so-called efficiency engineers. It is very unsatisfactory to the postal workers. It is my considered opinion that with respect to this idea of reclassifying our postal workers and salary rates, the Members of the United States Senate and House of Representatives and the appropriate committees thereof are in a better position than any other group or individual to be responsive to, and to give the fundamental consideration to, the public interest, the national economy, the problems of efficiency in the postal service, the welfare of the approximately 500,000 employees therein, and the many other factors necessary to be considered in making a final decision.

Thus, I am in full accord with the action taken by the majority of the committee, by providing in the bill now before us for the establishment of a joint committee of the Congress for the specific purpose of conducting the necessary investigation and study of all the elements that enter into a proper classification of employees and salary system based thereon. The report of the committee and its recommendations is to be made to Congress by May 1, 1955.

This joint congressional committee will be expected in the course of its investigation and study to confer with, and cooperate with, the Post Office Department. It will thus avail itself of the wide and valuable experience of the Post Office Department. The joint committee will likewise place great reliance on the advice and assistance of the postal union representatives. These organizations through many years have learned much as to the problems confronting the workers; consequently can be a valuable aid in performing the investigation and study to be undertaken by the joint committee.

And, with respect to the salary increases the committee has provided what may be termed an interim increase awaiting the report and recommendations of the joint committee. This interim salary increase will be: first, 7 percent of basic rates of compensation of per annum employees of the postal field service with a minimum of $240 and a maximum of $480 per year—except postmasters in fourth-class post offices—second, 10 cents per hour added to the rates of basic compensation of hourly or part-time employees; and, third, a flat 7 percent of the per annum salary rates of postmasters in post offices of fourth class.

This interim salary increase is essential to prevent any hardship which otherwise might result from the necessary delay in completion of the investigation and study of the joint committee and the establishment of such new general classification and salary system for the postal service as may result therefrom.

The overwhelming weight of testimony and evidence at recent salary hearings conclusively demonstrated the urgent need of postal employees—and particularly those in the lower salary groups who will be affected by the $240 minimum increase—for an immediate and substantial salary increase pending action by the Congress to settle the classification and salary problem. There is no question that the pay of these employees, who rely on the Congress for fair and equitable compensation, has lagged behind that of many workers in private business and industry who perform work of comparable difficulty, responsibility, and importance.

In addition to the above there are longevity increases. The bill includes provision for acceleration of promotions to the existing longevity steps and the addition of a new one. These additional increases will be earned upon completion of 13, 17, 21, and 25 years of service.

In addition to the above increases, both regular and for longevity service, employees for whom a uniform dress is prescribed, the Post Office Department will be required to assume the cost thereof but not in excess of $100 per year per employee.

There are many other benefits provided for in the bill which will greatly enhance the welfare of the postal workers.

Our postal workers have established a record of service that entitles them to this consideration. Their honesty, integrity, and ability has placed them in a most enviable and highly honored position in the Federal Government. Their faithfulness should be rewarded. I trust this bill will have the wholehearted support of the Congress and the President.

Mr. DONOHUE. Mr. Chairman, I am happy to rise in support of and to urge prompt approval of this measure to increase the rates of basic compensation of all postal employees and thus attempt to somewhat bring them into line with positions of comparable responsibilities and service in private industry.

This bill, H. R. 9245, was, as you all know, reported favorably by a majority of the House Committee on Post Office and Civil Service, was held up in the Rules Committee, and comes before us now as the result of over 218 signatures of House Members on a discharge petition. It is thus seen that a majority of the House desires to have the measure brought in here so that it can be fully discussed and acted upon.

The bill in its entirety embodies certain broad and fundamental principles which the Post Office Committee deemed essential to a fair and lasting solution to the problem of classification of positions and determination of basic salary rates of personnel in the postal service.

It has been my privilege to repeatedly appear before the House and Senate committees, during these past few years, to testify on the various bills to eliminate the salary injustices prevailing among the Postal Department's employees, as well as all Federal employees, whose wage scales have so seriously lagged be-

hind the advances granted in the comparable fields of industry.

I was among the first signers of the discharge petition because I deeply believed the request of the postal employees for an equitable salary readjustment should have the particular sympathy of all of us. They form a large group of our most reliable public servants. The service they render is fundamental and essential to the Nation. The security they enjoy is paid for by themselves. There are no more loyal people in our Government than those working in the Postal Department.

Now whenever the cost of living rises, as it has been doing for the past several years, we all know that persons with fixed incomes suffer the most. Some workers can obtain raises to offset at least a portion of the increased cost of living, but those whose incomes are stationary or whose salaries are set by law have serious trouble trying to keep up with rising prices and maintain their family on a decent living scale.

The postal employees' salaries are set by law, and it takes action by the Congress to raise their compensation. An important consideration in this connection is that while postal employees are organized, they are not allowed to strike and, to have the record present the truth on this subject, let us remind ourselves that they have never shown any disposition to strike. They have been content to rely upon a sense of fair play on the part of Congress and the general public. Unfortunately, there were many trying years during which this reliance must have seemed misplaced, but nevertheless the postal employees never wavered in their loyalty, devotion, or efficiency in duty.

I feel that it is pertinent to remind you that, if this Government is to uphold the tradition of honest service administered by loyal personnel, it must offer our employees wages comparable to other occupations of the same nature in private industry. By that I do not mean only a living wage, but a wage that will enable a postal and Federal employee to put something aside for the education of his children and the acceptance of such household emergencies as sudden sickness in the family without falling into staggering, discouraging debt.

May I also remind you that the best insurance against any misguided reception of false Communist propaganda by our Government employees is to wisely and practically extend them adequate salary compensation.

It is only ordinary commonsense and recognition of the facts of life that if our Government employees are sufficiently compensated to enable them to meet their personal and family obligations with confidence and a high morale, then there will be no doubt of their loyalty as good Americans and their repudiation of Communist ideas.

I urge you, therefore, in simple justice, to promptly and favorably approve this measure.

Mr. VORYS. Mr. Chairman, an amazing thing is happening here today. Members are voting for and against this bill with the clear understanding, repeated not only in the cloakrooms and the lobbies, but openly on the floor, that this bill is not going to become a law.

I voted for a postal pay raise, along with an overwhelming majority of this House, back in July. It was tied to a postal-rate raise so as not to increase our national debt. The postal employees' organizations favor a raise in postal rates. That permanent 5-percent pay raise was in line with the cost-of-living increases we have voted for disabled veterans and the increase the administration would approve for other civil-service employees. That bill also provided for reclassification. Today many who voted for that bill are also voting for this bill, not because they have changed their minds, but because they think this bill will never become law. It is to be taken care of at the other end of the Capitol, or by the White House.

I am voting against this bill because I think it ought not to become law; not in its present form, and under the gag rule provided in the discharge petition, we all must vote for or against this bill in its present form, because we cannot amend it.

I do not believe in government by discharge petitions. This bill and its gag rule is a good example of bad legislating that results from this procedure.

I have voted for every postal pay raise since I came to Congress 16 years ago. I think that shows my appreciation of the postal employees. But this time they are insisting on another raise, a 7-percent cost-of-living raise, when the cost of living has increased less than 4 percent since their last raise.

I will not take time to discuss the discriminatory provisions in this bill granting special privileges to favored groups within the postal service. I will merely refer to its general effect.

There are about 1,500 postal employees in my district. I want to represent them fairly. But there are about 24,000 other Federal employees in my district—13,000 civil service and 11,000 military. What about them? They would like a raise, too. The increased cost from this bill would be about $250 million. The postal workers are about one-tenth of those on the Federal payroll, military and civil combined. A similar raise for all of them might cost 10 times as much, and add about $2.5 billion to our national debt.

But all these Federal workers in my district are but a small fraction of the workers there who are not employed by the Federal Government. What about them? They would like pay raises, too, and lower taxes and less national debt. Many of them would like Federal jobs, postal jobs, at the present rates of pay. I try to think of all of these people, as well as the postal employees, in a matter like this.

The gentleman from Minnesota [Mr. HAGEN], in his remarks on the rule, referred to himself as the captain of the ship in this matter. He is not my captain. If there is any one man with such overall responsibility in this matter, President Eisenhower is captain of the ship of state. We are all aboard. He has the responsibility for steering a course of fiscal safety, with fairness to all. I am not taking orders from him, or the gentleman from Minnesota [Mr. HAGEN], but as between the two, I am following the President's recommendations as to what we can afford to do now for the postal workers in fairness to everyone else.

That may not be good politics, but I think it is good government.

Mrs. KEE. Mr. Chairman, when a bill such as this comes before the House, to increase the wages of postal workers, we tend to look at it in terms of a mass of figures and statistics. We ask—and, of course, properly—how much it will cost and what the average benefits will be and how many persons will be benefited, and so on.

But it seems to me, Mr. Chairman, that in a case like this, on legislation of this kind, we have an obligation to look at it in terms of people we know back home in our own post offices and substations. These are not blurred masses of people but individuals with faces we recognize, with names we know, with problems we are personally familiar with.

We are considering today the need for providing more adequate pay scales for the mail carrier who comes to the front door each day, rain or shine, in good weather or bad, who is one of the most reliable individuals any of us will ever know and who never fails to get around on his route no matter what.

On a very cold day, we feel sorry for the fellow trudging through the snow and ice or leaning against the biting wind, his hands so cold he can hardly get the letters and packages out of the heavy pack he carries. On very hot days, we also pity the poor fellow and do not envy at all the hot and aching feet he certainly must have after walking those torrid pavements.

The rest of the time, if we think of the carrier at all, it is only to wonder what he will bring. For he is such a reliable public servant we know he will certainly drop by if he has anything at all addressed to us.

This feeling of reliability is extended to the whole postal service. We know they will get through on their rounds, no matter what the difficulties.

Now, Mr. Chairman, all I want to do at this moment is remind the House that these are the individual friends and fellow townspeople—these very reliable public servants—we are talking about when we take up a postal pay-rate bill.

Let us not get lost in the statistics and the figures of millions or billions. Let us not look upon this as some afterthought measure applying to some strangers.

The Corbett bill, while certainly not overly generous by any means, will provide these friends and neighbors whom we know and respect and admire for their reliability with a fair and helpful raise in pay—one which is long overdue.

I sincerely urge the House to support it and pass it and to insist that the Senate also accept this measure as a minimum. To pass a bill providing a smaller increase than the Corbett bill proposes would be far from deserved treatment for our postal workers.

Mr. SPRINGER. Mr. Chairman, H. R. 9245, known as the Corbett bill, to increase postal workers' salaries, is a worthy bill and deserves the support of this Congress and the approval of the President. It is too bad that we could not have had a rule from the Rules Committee to hear this matter weeks ago. This has delayed the passage of this bill in the House until today.

It is regrettable that it was necessary for those of us who wanted to vote on this bill to sign a petition to discharge the Rules Committee from further consideration of the bill. It is true that all of us have not been in complete agreement as to the kind of a bill that should be passed in this Congress for postal employees. However, I do believe that it is the sentiment of this Congress on such an important issue, that we should have been able to hear it before today. This bill received approximately 55 hours of hearing in the committee. It was thoroughly debated there. Everyone who wished was given an opportunity to be heard. Some witnesses came back to testify a second time.

Some time ago I told the people of my district that I would support a post office bill providing that it contained certain basic requirements for improving postal service and the status of postal employees. These included a reasonable pay raise for postal workers, study of a plan for reclassification of employees, and some fringe benefits which employees have been needing for a good many years. This bill contains those three primary requisites.

There has been some information going out that postal employees generally would be opposed to a study of a plan for reclassification of employees. All postal workers that I know of have backed the Corbett bill, H. R. 9245, which does include a plan for reclassification of postal employees. To me there is considerable merit in the present bill in that it provides for definite improvements of the postal workers' status. Let me outline these one by one.

First, it provides a 7-percent pay raise within a $240 minimum and a $480 maximum on any single increase. This pay increase will go into effect the first full pay period after it is enacted.

Second, the bill provides for a joint Senate-House committee which would be set up immediately. This committee, between now and October 1, 1955, will make a thorough study of the postal job reclassification and come up with recommendations to the Congress. After thorough debate at that time, the Congress will have an opportunity to enact reclassification in the light of experience and the recommendations themselves.

Third, the bill provides for an allowance of up to $100 a year for postal employees who must wear a uniform on the job. Almost all of private industry that requires uniforms are now paying the cost of those uniforms for the employees. Most business union contracts now call for those extra expenditures not ordinarily required of the general employee. By this bill the postal department is merely matching private industry in this respect.

Fourth, a $100 longevity increase is provided for employees with more than 25 years of service. This is certainly a modest longevity to which, I am sure, there would be no general objection from anyone.

Fifth, for a long time postal employees have been objecting to the manner in which they have been paid. This bill provides for a pay day every other week, or 26 times a year, for all postal employees. This is merely a correction of a long-standing objection.

Sixth, for several years now, the Whitten rider has been in effect for all Government employees. This rider prevented additional permanent job appointments. The present bill modifies the Whitten rider to allow additional permanent job appointments where actually needed.

Seventh, there will be an increase from $6 to $9 a day in the travel allowance of postal transportation-service employees. The postal service must have been the last group in America to still be on the old $6 a day travel allowance. It is difficult to see how anyone could travel in recent years on that kind of allowance per day. The $9 per day at least will correct the situation partially.

The divergent views on this bill between the Post Office Department and the employees have chiefly arisen over the method of reclassification of employees, generally. The Post Office Department has had its survey made by an outside agency of what are ordinarily known as efficiency engineers. It does not appear to me to be unreasonable to have had such a survey made by an outside group. However, it does seem to me important that the members of the House and the Senate and the appropriate committees concerned with this legislation should go over these reports and give consideration to them. After this is done, however, the ultimate decision of what kind of reclassification should be made is up to the Congress itself. In this, I am sure, that Congress will give consideration to the public interest, the national economy, the problems of efficiency in the postal service and the welfare of postal employees in the postal system.

To me, the matters set out in this bill are much needed improvements for personnel in the postal field, generally. It has been 3 years since there has been any increase of salary to postal people. This increase is needed at this time, and something should be done about it before this Congress adjourns.

I think all the members of the House have realized for some time that in the civil-service system there exists a wage scale that keeps employees living on a marginal basis from year to year. This is now one of the more important matters under consideration by Personnel Boards here in an attempt to work some equity into the situation.

If we are to bring any realism into this situation we are going to have to get this bill passed today. I believe that it is a reasonable bill and in the best interest of everyone concerned. These are my reasons for supporting this bill today.

Mrs. BUCHANAN. Mr. Chairman, I am very happy to be able to cast my vote today for the bill H. R. 9245, calling for a 7-percent increase in the salaries of postal employees, with a minimum of $240 and a maximum of $480 a year.

The effort to obtain a vote on an adequate postal salary increase bill has been one of the hardest fights in the session now drawing to a close. It has been only through resort to the discharge petition that this bill is before us today. This procedure was forced upon us because of the adamant and bitter opposition of the Postmaster General and administration supporters who expressed their firm determination that this legislation would not pass.

I was an early supporter of the bills H. R. 2344 and H. R. 2297 introduced by the gentleman from Michigan and the gentleman from Pennsylvania. These bills, as you will recall, provided for a postal salary increase of $800. As I pointed out to the Post Office and Civil Service Committee during the hearings last March, the postal workers of my district along with their fellow workers throughout the country are in urgent need of an adequate pay raise. The many letters received by me from postal employees in the 30th Pennsylvania District relate the difficulties they face in trying to maintain a decent standard of living on their present inadequate salaries. When it became apparent that we were never going to have an opportunity to vote on H. R. 2344 I accepted the compromise contained in the bill here today.

To those who are opposing the pending bill I ask, Are you proud of the present situation in which many employees of the Post Office Department, one of the largest businesses in the world, are forced to supplement their inadequate salaries with outside work in order to meet the increasing cost of living today? The Postmaster General has talked loud and often about his determination to decrease the deficit in his Department and it is obvious from his efforts to defeat this bill that he wishes to do so at the expense of the loyal and hard-working postal employees. There is no finer group in the Federal Service than the postal workers and they have waited long and patiently for a decent adjustment of their salaries. Such an adjustment is long overdue and so I say we should pass this bill without further delay and make this minimum increase a reality.

Mr. MURRAY. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, just 6 weeks ago President Eisenhower said:

> We cannot permit the deliberate operation of our postal department at a gigantic loss. Of course we must have a classification and promotional procedure for postal personnel that will serve the best interests of the Government, the public, and the postal workers themselves.

If I understand the President's program, and there are many Members in this Chamber who will be campaigning on the basis of the support of the President's program, that program is comprised basically of three points.

First, that he approved of a moderate wage and salary increase for the postal workers;

Second, that there was to be reclassification of jobs within the Postal Department; and

Third, there should be a postal rate increase to substantially compensate for the cost of the postal wage increase. If that is true, and I am satisfied that it is true, how can Members of this House justify voting for legislation that would add approximately $200 million a year to the overburden deficit of the Postal Department and that would not provide one penny to meet that additional deficit?

How can we explain to the people back home that we voted to spend $200 million a year on this measure that would accentuate the injustices now existing in the postal service?

I know there has been great pressure in support of this measure, but I submit to you that a vote in favor of the measure is the path of irresponsibility, and I think it will be a mistake for the Members to underestimate the basic intelligence and integrity of the American people. They will recognize that this philosophy, this pattern which the old professional politicians used, is so true, that the way to be reelected as a Member of this House is to be for all the commitments for new spending of money and against the tough thing, the wherewithal that will meet the new commitments that will be made. I am happy to state that that is not the pattern of this administration; it is not the pattern which I as an individual can follow.

I voted for the bill that was under consideration on the floor a couple of weeks ago, but a majority of the Members failed to vote for it, it being called up under a rule requiring a two-thirds favorable vote, and the bill did not become law.

I predict that this measure now before us will never become law, because the President is a man of responsibility. He has stated the type of measure he will accept. I predict that he will not accept this unhealthy compromise that fails to measure up to the standards which he has set. If this happens, and I am satisfied it will happen, there will be no postal wage increase. Further, the responsibility will not lie with us who are opposing this measure here today; it will not lie with us who voted for the other measure that was before us a couple of weeks ago; it will lie with those who flaunted the will of a majority of the Members of this House and defeated the only measure that had a chance to become law in this session of Congress.

I am proud to join with two responsible, experienced statesmen, the chairman of this committee and the ranking minority member of this committee, who are opposing this legislation on the floor of this House today.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. MURRAY. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BROYHILL].

The CHAIRMAN. The gentleman from Virginia [Mr. BROYHILL] is recognized for 4 minutes.

Mr. BROYHILL. Mr. Chairman, I rise in support of this measure before us today, even though I have no fear but what it will pass this body overwhelmingly. I do hope, however, that we can work out the objectionable features in conference in order that it may become law.

I did not sign the discharge petition which brought this measure before us, nor did I, as a member of the Committee on the Post Office and Civil Service, vote for the measure when it was offered as a substitute by the gentleman from Pennsylvania [Mr. CORBETT].

The fact, however, that I did not sign the discharge petition or vote for the substitute does not mean that I was not in favor of an increase for the postal employees; on the contrary, I supported and favored an increase even more liberal than provided in this bill. I think I can say without fear of contradiction that no one has worked harder as a member of the committee to get favorable pay legislation out than I did. Further than that, I am interested in and am supporting a pay increase for all the classified employees. I know that by precedent and tradition we do not have a chance of getting a pay increase for the classified employees unless we first pass a pay increase for the postal employees; but, as a member of the committee, and I feel I can speak for the other members of the committee as well as for many other Members of this body, the reason I opposed the substitute was because I felt conscientiously and sincerely that the bill did not have a Chinaman's chance of ever being enacted into law. Some Members feel that the threat of a veto is a bluff. I realize that some Members feel that, even though the President should veto the bill, there would be enough votes in this body to override the veto. It is nothing but sheer political demagoguery and intellectual dishonesty to vote for a measure you know would never result in an increase of money into the pockets of the postal employees.

Actually, one reason it does not have a chance to become law whether or not it is tied in with an increased postal rate, is that it does not make provision to permit the Postmaster General to go through with his original proposed reclassification plans. This reclassification proposal was not included even though we held exhaustive hearings on the reclassification plan. When the committee went into executive session we did not give any thought or consideration to that reclassification plan and went right to the proposition offered by the gentleman from Pennsylvania [Mr. CORBETT].

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

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

Mr. JAVITS. I voted for this package bill to increase the postal rates. I have an opportunity to vote for this bill today and I shall vote for it because justice withheld from the post-office employees is justice denied.

A 7-percent increase with a minimum of $240 a year and a maximum of $480 a year for postal employees will not bear an adequate relationship either to increases in the cost of living or to competitive compensation in private employment for postal employees. It is a compromise on the low side but this compromise has such enormous support that it should be accepted, for postal workers want the broadest backing in the Congress for a pay increase. They know that it is the justice of the Congress that they depend upon both for today and for tomorrow. Giving them something of the pay increase they need will help to avoid as much as possible the need for wives of postal employees to work and for unusual borrowings by postal employees in order to meet living costs. That is our job in our responsibility to them, our responsibility to increase post-office income—which I have supported—cannot be discharged at their expense.

Also, the postal workers have traditionally carried the ball for the classified Federal service. We must recognize this and follow through with appropriate consideration for the other Federal classified employees as well.

Mr. BROYHILL. We are winding up the closing days of this session with the postal and classification employees bills in serious jeopardy. The unfortunate thing about it is that the vast and overwhelming majority of the Members of Congress feel that all Federal employees are entitled to a pay increase. The reason these bills are in jeopardy now is because we disagree with some of the provisions, or we disagree as to the methods or strategy used and yet we have a tendency to try to show that we as individuals are for the increase but we place the blame on some other Member or on the other political party for its failure to pass.

As one Member, I am not interested in going on record in favor of this particular proposal and blaming someone else for failure of passage. I believe if we are interested in an increase for these employees, and if we are in favor of the increase we should all work together and arrive at some compromise that will result in putting money into the pockets of these deserving postal and Federal employees and not be satisfied with just blaming the other party or the other Members for failure to enact the bill into law. I have confidence in the leadership, and I hope that the conferees will get together and work out some compromise either in conference or in the other body so that the law can be passed putting money into the pockets of the postal and classified employees. This is much better than just telling the postal employee that you were for him but he did not get an increase due to someone else's fault.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I rise in support of the Corbett bill. I voted for it when it was reported out of committee.

Mr. Chairman, I join the distinguished gentleman from Tennessee in commending our Postmaster General for the improvements he has made in the Department since he has become Postmaster General. I feel, however, that this bill should pass. The various items and sections of the bill were voted upon one by one in committee. Some of them I did not vote for as they were adopted, but after the bill had been carefully considered section by section and the changes made, then I voted to favorably report the bill which is now before the Committee for action.

Subsequent to the time this bill was reported out, our committee was led to believe that a compromise could be effected in this matter. Provisions were submitted to the committee and a bill was reported out which had the unanimous support of the committee. That bill, which we thought would be a compromise proposition, did not get a rule and it has not yet been presented to the House for consideration. This bill, upon which we are acting today, is the only chance we will have to legislate on this matter.

Mr. Chairman, the pending bill contains some very excellent features. In the first place, this raise of 7 percent, with its floor and with its ceiling which has been criticized so severely here, is provided as a temporary measure only by the terms of the bill. It will expire by the terms of the bill approximately October 1955. The whole question of salaries and reclassification can then be revised on a permanent basis.

The other bill which the committee reported favorably carried a permanent provision. This bill provides for a study of the classification system by a joint committee of 7 Members from the House and 7 Members of the Senate and provides that the committee shall make a report back to the House and the Senate by May 1, 1955. So, there is orderly provision here, first, for a temporary increase, then for a reclassification study, and report to be made back to the House and the Senate by May 1, 1955. The House and the Senate then will have the opportunity to vote upon a proper reclassification measure which I think is good congressional procedure, rather than for a plan to be submitted by the Postmaster General which would become law if it is not turned down in 60 days by a vote of either the House or Senate.

Mr. Chairman, this bill has other good provisions which I think are in order. One of them is that it increases travel allowance to a figure which is in keeping with the actual cost of travel. It provides for uniform allowance not to exceed $100, and that is in order and should have been granted long ago. There are many other good features in it, and I hope the bill will be passed.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I did not sign the discharge petition on the Corbett bill because I did not think that was the best way to get legislation actually passed. I voted for the Rees bill, and I very much regret that the Rees bill, providing a 5-percent salary increase and a rate increase to take care of the postal-pay increase, did not pass. That would have become law and would have put money into the pockets of the postal workers.

But here we are with a practical situation where we either have to vote for this bill and get the legislative process started again or else do nothing at all. I do not believe it is right to penalize the employees of the Federal Government because the Congress either does not have the wisdom or the fortitude to pass a bill to raise postal rates. That is, it is not right to take out of the hides of the men carrying the mail this failure on the part of the Congress to be fiscally responsible when it did not pass the Rees bill. I want fiscal responsibility. The way to get it is not by holding down the salaries of our employees below what they deserve on the basis of a 5-percent rise in living costs, but by raising the postal rates to those who use the service the post office provides.

It is not the fault of the postal employees that the Congress was not fiscally responsible. Let those who voted against the Rees bill take the blame for that.

So I feel this bill should be passed. I doubt that it will become law with the 7-percent increase, but it will go to the Senate, and out of action there and between the two Houses I hope will come a bill that will give the postal employees and later the Federal employees what I believe is their just desert.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I rise in support of H. R. 9245. As a member of the great Committee on Post Office and Civil Service, I was one of the 14 who voted to report the bill to the House some weeks ago. The issue of a postal pay increase has been one of the most contentious matters that has been before this chamber in this session. Few resolutions have bucked such stormy weather before finally arriving at the home port—the floor of this House. Its rough journey was preordained from the moment it was considered in executive session of the committee. After days of argument and compromise, it was finally voted out 14 to 9. And then the proposal really ran into trouble. For a storm of comparative gentleness was whipped up into one of hurricane proportions by winds of opposition that blew from the direction of the leadership of the administration. It is today reaping the harvest of its no compromise attitude.

Mr. Chairman, the postal employee organizations have, I believe, compromised all along the line. From a resolute stand favoring the many bills filed by many of the Members for an $800 across-the-board increase, the organizations attempted to reach a compromise. I compliment them for their spirit of cooperation. When an impasse was reached, they went along on $400 across the board, then 15 percent, then 10 percent, then 7 percent, and finally 5 percent. They emphatically demonstrated their willingness to cooperate but were rebuffed. Compromise embraces a desire on both sides to give and take and finally come up with a solution that is acceptable to opposing factions. I regret that agreement was not reached. However, Mr. Chairman, the bill now before us deserves the support of this House. It makes provision for a much-needed salary increase and fringe benefits and does provide for a study of the controversial reclassification problem.

I further point out that if favorable action is not taken today on this bill, the resolution affecting a salary increase for the classified Federal employees is endangered. This group of loyal and faithful Federal employees are entitled to consideration.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I suppose I am one of those who falls in the class designated by our friend, by the gentleman from Illinois, the whip of the House, which class he mentioned as those who were escaping fiscal responsibility and did not have political courage. Now, I fall, I guess, in that class this afternoon, because I am supporting this bill. The gentleman from Wisconsin [Mr. DAVIS] said that there were many in the Chamber who were going out this fall running on the platform of supporting the President of the United States. Well, that is not the ticket I am going to run on this fall. And, further than that, I supported the President of the United States every time I thought he was right, and I have opposed him when I thought he was wrong.

I think he and the Postmaster General are both wrong about this matter. I think this increase for these thousands of postal employees is justified and overdue. Therefore, it is my purpose to vote for the bill and against any motion to recommit, or against any crippling amendment, even though it may come from the great Committee on the Post Office and Civil Service.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield for a unanimous-consent request to the gentleman from Ohio [Mr. OLIVER P. BOLTON].

Mr. OLIVER P. BOLTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. OLIVER P. BOLTON. Mr. Chairman, I have asked for this time to express my feelings on this bill. My position has been consistent. I have stated for many months that I would support as good a bill as I could which I felt had a chance to become law. I have said for many months that I did not believe the Corbett bill had a chance to become law. It was for that reason, as well as other reasons of substance, that I did not support it in committee, and that I did not sign the petition to discharge it from the Rules Committee. I worked hard for a compromise bill which did have a chance to become law—and as a result of

that work, and the efforts of many other colleagues of mine including our distinguished and fair chairman, the gentleman from Kansas [Mr. REES], and the leadership on our side of the aisle, we got a compromise bill which was unanimously accepted by our committee.

This bill was combined with a rate bill and bought up under a suspension of the rules which required a two thirds vote. This vote was not obtained, and thus this opportunity to get a postal employee raise was lost because of the vote of those across the aisle.

I still do not like some of the provisions of this bill. I still do not believe that it can become law—certainly not in its present form. But even so, I am going to vote for it because I think that it is the only remaining chance this session to get action on the question of a raise for postal employees, as well as the question of reclassification and the institution of a modern personnel system within the Post Office Department.

In brief, I agree with the overall sentiments expressed by the gentleman from Minnesota [Mr. JUDD] that the employees should not suffer for our failure to face up to the rate question. We have a double responsibility—and as I have said before on this floor, we should face up to the needs of our employees—whose cost of living has risen over 4 percent since their last pay raise—entirely separate and apart from whether we face our responsibility for fiscal sense.

As I said before, I have done all I could to get a bill which was fair and which had a chance to become law. I fear for the future of this bill—but support it as a last chance to have this important matter worked out.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield to the gentleman from Iowa [Mr. GROSS] for a unanimous-consent request.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. GROSS. Mr. Chairman, it is amazing to hear certain Members of the House deride those of us who support this legislation as lacking in "fiscal responsibility," and "doing absolutely nothing to provide the money" for this modest pay increase for postal workers.

At least two of those who have talked in this vein only recently voted for the spending of $12 billion to $13 billion on giveaway programs to foreigners in the present fiscal year. Not once, when the so-called foreign-aid bill was before the House, did those gentlemen raise the question of "fiscal responsibility"—what effect that huge expenditure would have on the Federal debt and deficit—where the money would be obtained.

It is indeed strange to see these same individuals now bemoaning the passage of legislation that will have at least some effect toward sustaining the economy of the United States.

In a few minutes this measure will pass the House by an overwhelming vote, thus serving notice upon the leadership that this measure should have been brought to the floor long ago in the course of normal procedure.

The vote that is to come will also serve notice on all others who care to look and listen that the House is in no mood to temporize on this issue.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, the Committee on Rules was mentioned by several speakers here today. As a member of the Committee on Rules I want the RECORD to show that I was very much in favor of the Corbett bill. The Committee on Rules was not unanimous in its opposition to the Corbett bill which would give the postal workers a fair increase considering the increased cost of living.

I might say further that my heart goes out to the gentleman from Wisconsin [Mr. BYRNES] who is pleading the economic policy of this administration. He stated that this raise to postal workers would be too much of a drain on the budget. The 4 percent windfall his committee and this administration gave to coupon clippers in the tax bill would give postal workers and all Federal employees a fair increase multiplied by 10. As a member of the Committee on Ways and Means he had a wonderful opportunity to eliminate the 27 percent oil depletion allowance given to the oil monopolies. This took billions out of our tax receipts and would have taken care of the postal employees salary increase almost 50 times over.

I might further state that the gentleman from Wisconsin and his side of the House only 2 weeks ago voted to authorize an appropriation of $172 million for the Fryingpan porkbarrel project out in Colorado. That would have taken care of half this raise for the postal employees.

Several other drainage and water projects have been authorized by the Republican leadership in the last 2 weeks which would cover the cost of this bill by several times the amount involved. These projects were mostly without merit but would help Republican Congressmen in these western areas in the coming election. Postal workers in the industrial Calumet region have needed a substantial raise for several years. I hope this bill is passed and signed by the President.

Mr. MURRAY. Mr. Chairman, I yield the balance of my time, 8 minutes, to the gentleman from Kansas [Mr. REES].

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. REES of Kansas. I yield to the gentleman from New York.

Mr. OSTERTAG. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. OSTERTAG. Mr. Chairman, although I did not sign the discharge petition to bring this bill, H. R. 9245, to the floor for consideration, I intend to support it for several reasons. First of all, I want to state that I did not sign the petition because I do not believe in this method of bringing legislation to the House for action. I have never signed a petition since I have been a Member of Congress, and I hope that circumstances will never be such as to require me to break this rule and principle which I have established for my own guidance.

Mr. Chairman, I recognize that there are many issues and factors involved in the consideration of legislation to provide salary increases for our postal workers. The need for reclassification is involved and the method to achieve is a subject of controversy. Postal rates has found its way into the consideration of this matter, and there is also the degree or percentage increase to be determined. As previously stated when this matter was before the House under a suspension of the rules, I favor a postal-rate increase and believe such legislation to be in order. I also feel there is room for a change in the organizational structure of the Post Office Department. I would favor any bill to achieve all these purposes if presented on a reasonable basis.

Perhaps this bill, when under consideration in conference, will bring about an improvement of its provisions. In any event, I strongly favor a salary increase for our postal workers, and I intend to support this bill in its present form. If an improved measure or conference report finds its way to the House before adjournment, I shall support it too.

Mr. REES of Kansas. Mr. Chairman. Let me say at the beginning that I regret that such important legislation should come to the floor under what is really a "gag" rule. The thing that disturbs me is that after spending weeks and months on legislation, that if enacted into law, should be considered for a little more than an hour. Not only that but the enactment of this measure will, I am informed, cost approximately $200 million.

Mr. Chairman, during the years I have been a member of this important committee of Congress, the House Post Office and Civil Service Committee, I have enjoyed and appreciated the friendship of those employed in the postal service. I have respected their views and opinions. I have appreciated their service to the people of this country. There are no finer, better, or more loyal group of citizens than the 500,000 people who are responsible for the greatest mail service in the world. Incidentally, it was while I had the honor of being chairman of this great committee in the 80th Congress, the postal employees received the biggest single raise in its history.

Before going further, I want to pay tribute to the members of this committee for their attendance during the long hearings held on this and other bills upon which hearings were held, including the postal increase and the classified pay bills.

Mr. Chairman, I will discuss this bill later but I think this committee should know that most controversy is with respect to reclassification. That is where there is argument between the Post Office Department on the one hand, and

the Postal Union representatives on the other. The proposal I submitted is a compromise that I think is fair. I will discuss it later, also.

I feel this committee should know that most of the testimony in respect to pay increases was in support of legislation providing for $800 across the board for all employees in the postal service, and notwithstanding that fact, no member in executive session asked that a bill for $800 increase be reported. No such motion was even offered. I do not believe a proposal for $400 was proposed.

The 7 percent in this bill is a compromise. I remind you, too, it is temporary and expires next fall. I understand the sponsor will offer a committee amendment to strike out the provision that makes the payday effective as of July 1, 1954, and have pay begin on a payday after this bill is enacted into law. The bill I submitted provides for 5 percent permanent increase. Other provisions in the Corbett bill are taken from the bill I submitted except as to reclassification. The Corbett bill says on that subject, "We will study the problem."

Mr. Chairman, there are several reasons why I am not in position to support this legislation. I have made my position clear in signing the minority views contained in the report on this bill. These minority views develop in detail the objections to this measure.

They point out the discriminations that will result if it is enacted into law. They point out that, although this bill costs nearly $200 million annually in additional payroll expense to the postal service, it does not solve any of the very pressing problems relating to personnel administration, pay and a job evaluation in the postal service.

This bill, while it purports to make a beginning on a postal classification system, has really as its underlying principle the continuance of the establishment of pay for specific jobs by act of Congress. In other words, Congress will continue to be called upon to decide exactly what each individual employee shall be paid for what he does. This decision must be made even though as Members of Congress we cannot possibly know what each job is worth as compared to other jobs in the postal service.

We do know this, that as a result of the present method that job classifications have gotten completely out of line in many categories as compared to the pay of other Federal employees. For example, the minority views on this bill point out that stenographers in the postal service, by and large, cannot even pass the stenographic test given for a grade 2 stenographic position in the Federal service. Some of the stenographers in the postal service are being paid more than $5,000 a year, yet cannot qualify for a grade 2 stenographic job, according to the standards of the rest of the Federal service, paying $2,750 a year.

The reason, of course, is that they are selected from persons who qualify on a postal clerk and carrier register but who never have nor never could qualify as stenographers. They may be well qualified for other postal work but not as stenographers.

It is significant, that the largest single group of employees in the postal service, the letter carriers, will still be letter carriers under any reclassification program. There is no way in the world that they can be affected adversely by the proposal which I made with regard to reclassification. They could receive nothing but benefits.

Summed up, it all boils down to this—it is not a question as to whether the jobs in the postal service will be reclassified, but it is a desire on the part of some individuals to continue exactly the same type of pay setting in the postal service as we have had up to now.

Our committee held hearings and executive sessions from February 16 until May 25 when this bill was reported and we heard a great deal of complaint from employee organizations that they had not been consulted by the Postmaster General with respect to his recommendations.

Our committee consulted the employee groups for 4 months. Most of that testimony was a succession of statements attempting to justify a $800 flat across-the-board salary increase. They would not try to work out a reclassification.

To justify this $800 increase, they complained about the increases that had been granted to postal employees since 1939, saying they had been inadequate. Yet, at the same time, they said that they did not in any way want to change the manner in which those increases had been granted—that is, by Congress itself.

Now the sponsors of this bill and the employee groups say the way to handle reclasification, which they now say is the desirable thing and which they strongly support in the report on this bill, is to have a joint committee make a study and report back by May 1, 1955. I dare say there is not a one of these Members who did or has made any plans to give up the time between now and the time Congress meets next January to study this problem. That being the case, they will have less time between January 1 of next year and May 1 to come forth with a recommendation on reclassification than our committee has already spent on the problem this year.

As a matter of fact, a subcommittee of our committee in May of 1953 recommended that there be a reclassification in the postal service and a study of a job-evaluation program was begun as far back as May 1953.

It seems to me the proposal contained in this bill can mean but two things. First, a delay; and second, that Congress will be pressured again for an additional pay increase which is always necessary when a job-evaluation program is put into effect. In order to put a job-classification program into effect, it is necessary, of course, to adjust salary rates. There is no one who is willing to adjust them downward—I, for one, am not. In fact, in my proposal, I wrote in every known safeguard to prevent downgrading of employees' salaries who are on the rolls. I do not think there is any Member of the House who wants to approach it from the standpoint of reducing salaries to make adjustments.

Congress was not set up to be a body to conduct wage and salary bargaining.

I do not think there is anybody who can stand up and argue against a job evaluation program based upon equal pay for equal work and greater pay for greater responsibility. I have tried my best to let the employees know what I have proposed for them in the way of a salary-adjustment program.

I proposed a 5-percent increase in the salary schedules with a beginning on the reclassification program. My proposal would have given Congress an additional look at this program before it finally went into effect, and they could have voted it down if they so desired.

My proposal would have done the following:

First. A permanent 5-percent increase for all postmasters, officers, and employees in the postal field service with a minimum of $200, except in the case of fourth-class postmasters and hourly rate employees. The Corbett bill provides a temporary and not permanent increase.

Second. A reclassification for all postmasters, officers, and employees in the postal field service by requiring that the Postmaster General submit to Congress by March 15, 1955, a proposal for job evaluation of the positions of postal field service personnel. This proposal must contain schedules which set forth grades and salaries of postal field service positions, and provisions assuring postal employees (a) of the right to appeal their classification to the Civil Service Commission; (b) that those on the rolls when the plan, or any part thereof, becomes operative will not suffer any loss in salary; and (c) that they will not be downgraded. This plan will take effect unless disapproved within 60 days by a majority of either House of Congress.

Third. An increase in the allowable per diem for employees in the transportation service to $9 per day from the present rate of $6 per day.

Fourth. A uniform allowance of $100 annually for those employees required to wear uniforms.

Fifth. A modification of present law which restricts the number of permanent appointments in the Federal service. This will permit the granting of permanent appointments to a large number of temporary and indefinite employees in the postal field service.

Sixth. A biweekly pay period for employees in the postal field service.

You will find many of these benefits to postal employees in H. R. 9245, except it contains a 2-percent higher pay increase, one nearly doubling the increased cost of living as shown by the Bureau of Labor Statistics since the last salary increase given postal employees, and postpones indefinitely action on job reevaluation.

I wish there were some way of letting the postal employees know that all of these benefits that I have listed above were proposed by me in our executive sessions and they now appear in H. R. 9245. The terms of H. R. 9245 had not even been set down on paper but the benefits which I proposed for postal em-

ployees were gobbled up and lumped into this bill.

Nothing, of course, has ever been said about that in the thousands of issues of postal employee magazines that have gone throughout the Nation. I do believe, however, that those back in my own district are aware of what has happened and of what I have done for postal employes.

As far as I am concerned, I am just as interested in postal employees now as I was when I was the sponsor of the largest single pay raise that was ever given postal employees. This was in the 80th Congress. I should also like to say that I have done everything in my power this Congress to get to the desk of the President a bill which he could and would sign. Do not believe he intends to sign a bill that does not provide for classification and for some additional revenue.

Following the best advice that I could get as to the President's views on this problem, I moved to suspend the rules on July 21 to bring to the floor a combined postal rate and postal employees salary bill—one that I understood would be acceptable to the President.

I want to thank the Members of the majority side who, almost to a man, supported that measure. In fact, it was supported by a substantial majority of the House itself. Republicans do not like to raise postal rates any more than Democrats, but we were willing to assume that responsibility in order that postal employees might have a pay raise and secondly, that it would be paid for by those who use the postal service in proportion to their use of the service. Certainly this is more fair than putting it on the taxpayers generally or through deficit spending.

I still hope that there will be an opportunity to work out a salary adjustment along with reclassification. Based on the best information I can obtain, it must be combined with a postal rate increase to pay for it. I am prepared to again seek to have the rules of the House suspended to approve a bill such as I submitted July 21, this bill to include the recommendations of our committee on postal employees' salaries as contained in H. R. 9836 and provisions for postal rate increases as contained in H. R. 6052. This cannot be done, however, with any chance of success unless it has the wholehearted cooperation of the postal employees organizations some of whom testified favorably for the rate bill.

Mr. Chairman, since there is no opportunity, under the rules, to amend this bill, I cannot in good conscience support it. It will pass the House by a big majority. I am convinced, under all circumstances considered, it will not be enacted into law.

Mr. HAGEN of Minnesota. Mr. Chairman, I yield the remaining time to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, we arrive here at the conclusion of another long extended controversy over the proper compensation for our employees. I want to say to all of you that since I have been a member of this committee, starting in January of 1945, we have never once sat down as a group with representatives of the department, the Budget Bureau, the committee, and the employees' associations to discuss and consider. Every year someone comes around and says, "We know what is best for the employees." They say this, that, the other thing. They consult everybody but the employees and the committee members. They come to us with bills and they tell us, "Well, we know what is best for you to pass." We report a bill out after careful study and somebody then tells us, "We know what is best to bring to the floor." So generally nothing proper happens and the fight is on. I submit to you that these repeated annual tests of strength have no place in the orderly conduct of business, and if some individuals did not throw their weight across the path of the majority, this sort of thing would not occur. Likewise, I think it is a shame to come in here and complain about a bill which we have not had an opportunity to amend because the orderly procedures were not followed. The gentleman who has just concluded did correctly point out that one of the main issues was not the question of salary, but the classification program. I submit to you we did face that issue. We faced it squarely and we refused to make the most arbitrary grant of power over personnel to a department head that has ever been requested in the history of this Government. We faced it and we said, "No, the Congress is going to retain that power itself." And the great Committee on the Post Office and Civil Service in the other body has answered with a similar, "No" by a unanimous vote. I submit to you of the committee that H. R. 9245 is a good compromise bill. It is not as good as we could have had it, but I must report that the gentleman from Tennessee insisted that he would not agree to any amendment which would make the bill more palatable, not even a reduced salary raise after he said the raise was too big. So we find that the enemies of the postal salary increase were refusing to let us improve this bill lest it be passed by a bigger majority, and eventually become law. That is something which ought to be kept in mind as events move on.

There are too many things that I might go over in this debate, but I hope that this is the last time we will have to engage in a contest of strength as to what is proper compensation for Federal employees. I think the time has come when we should resort to some modern personnel practices and consult everybody whose welfare is at stake, and then come in here with an answer that represents intelligent and mature thinking.

There is an important fact that has not been mentioned in this discussion. It is most significant. The records of the Post Office Department show that during the 5-year period ending with 1952 that the volume of mail increased 33 percent and its total weight increased 29 percent. Meanwhile the number of man-hours worked in the service increased only 9 percent. This evidence of the increased productivity of workers in the postal field service certainly indicates that these fine workers are as deserving as they are needy. And lest someone contends that technological improvements are responsible I would remind them that no machine can sort the mail and that no mechanical man has yet delivered it.

Finally, I want to say that nobody knows what the postal deficit is, but everybody who has thought it through has agreed that the money to maintain the standard of living of families should not be determined by the revenue of the Post Office Department.

I said earlier in my remarks that I think a rate bill can be passed. Though I cannot associate myself with the great statesmen who are against this bill, I want the record to show I voted for the rate bill in the committee. Also, I was the only Representative from western Pennsylvania, on either side of the House, that voted for the last income-tax increase. Also, I voted against certain proposed relief that might have been granted in the tax bill this year. Therefore, I cannot be charged with not providing the money to pay for the necessary and deserved financial relief to our employees particularly those in the high-cost-of-living districts, 71 percent of whom are engaged in dual employments or have their wives working. I submit to you that this bill is a good bill which should be passed by the House, improved by the Senate and signed by the President.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Under the rule, the bill is considered as having been read. No amendments are in order except amendments offered by direction of the Committee on Post Office and Civil Service.

The bill is as follows:

Be it enacted, etc., That it is the sense of the Congress that—

(1) it is both necessary and desirable that an equitable system should be established for the classification of positions and the determination of salaries of postmasters, officers, and employees in the field service of the Post Office Department;

(2) such classification and salary system should be established after a study of all problems relating thereto conducted by a joint committee of the Congress, with the assistance and cooperation of the Post Office Department, and through the enactment of appropriate legislation pursuant to recommendations submitted to the Congress by such joint committee following the completion of such study; and

(3) pending the completion of such study by the joint committee and the enactment of such legislation, all postmasters, officers, and employees in the postal field service should receive increases in their respective rates of basic compensation.

SEC. 2. (a) The rates of basic compensation, other than rates referred to in subsection (b), for postmasters, officers, and employees in the postal field service whose rates of compensation are prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945 (Public Law 134, 79th Cong.), as amended, are hereby increased by 10 percent, except that no such rate shall be increased by more than $600 per annum.

(b) The rates of basic compensation of employees in the postal field service paid on an hourly or part-time basis are hereby increased by 15 cents per hour.

(c) This section shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 3. (a) The first sentence of the first section of the act entitled "An act to provide uniform longevity promotional grades for the postal field service," approved May 3, 1950 (Public Law 500, 81st Cong.), as amended, is amended by striking out "longevity grades A, B, and C" and inserting in lieu thereof "longevity grades A, B, C, and D."

(b) Subsection (b) of the first section of such act of May 3, 1950, as amended, is amended to read as follows:

"(b) Each such postmaster or employee who is serving in a regular position on the date this amendatory subsection takes effect or who is appointed to such a position at any time thereafter, shall be assigned to longevity grade A at the beginning of the quarter following the completion of 13 years of service, to longevity grade B at the beginning of the quarter following the completion of 17 years of service, to longevity grade C at the beginning of the quarter following the completion of 21 years of service, and to longevity grade D at the beginning of the quarter following the completion of 25 years of service."

(c) Section 2 of such act of May 3, 1950, as amended, is hereby repealed. Each employee to whom such section applied immediately prior to the effective date of this act shall be placed in the longevity grade to which he may be eligible under subsection (b) of the first section of such act, as amended by this act, on the basis of all his creditable service. The rate of basic compensation of any such employee who is not eligible for longevity grade A or is placed in a lower longevity grade than the longevity grade he occupied under such section 2, shall not be reduced by reason of the enactment of this act, but such employee shall not receive an additional longevity increase when he is advanced to longevity grade A or to a higher longevity grade, if he has earned a corresponding longevity increase under such section 2.

SEC. 4. Section 16 (r) of such act of July 6, 1945 (Public Law 134, 79th Cong.), as amended, which relates to travel allowances for employees in the Postal Transportation Service who are assigned to road duty, is amended by striking out "$6 per day" and inserting in lieu thereof "$9 per day."

SEC. 5. Section 3867 of the Revised Statutes is hereby amended to read as follows:

"SEC. 3867. The Postmaster General may prescribe a uniform dress to be worn by city and village delivery letter carriers, special-delivery messengers, motor-vehicle employees, custodial guards, elevator operators, and watchmen. The Postmaster General shall furnish uniforms to each such employee for whom a uniform dress is so prescribed, at a cost not to exceed $100 per annum with respect to each employee, except that, in any case where in his judgment it is in the interest of the postal field service, he may authorize any such employee to purchase uniforms, at such times and at such costs, not to exceed $100 per annum, as he may prescribe and shall reimburse such employee purchasing uniforms pursuant to such authorization for the cost thereof."

SEC. 6. So much of section 1310 (a) of the Supplemental Appropriation Act, 1952 (Public Law 253, 82d Congress), as precedes the first proviso therein shall not apply to the total number of permanent employees in the field and departmental service of the Post Office Department; except that no employee shall be given a permanent appointment by reason of the enactment of this act who has not qualified therefor under normal civil-service procedures.

SEC. 7. Any increase in rate of basic compensation by reason of the enactment of this act shall not be considered as an equivalent increase in compensation within the meaning of section 701 of the Classification Act of 1949, as amended, in the case of postmasters, officers, and employees in the postal field service who transfer or are transferred to positions within the purview of the Classification Act of 1949, as amended.

SEC. 8. In the exercise of the authority granted by section 81 of title 2 of the Canal Zone Code, as amended, the Governor of the Canal Zone is authorized to grant, as of the effective date of this act, additional compensation to postal employees of the Canal Zone government, based on the additional compensation granted by this act to similar employees in the field service of the Post Office Department of the United States.

SEC. 9. (a) (1) There is hereby established a Joint Committee on Postal Field Service Classification (hereinafter referred to as the joint committee, to be composed of 7 top ranking members (including the chairman) of the Committee on Post Office and Civil Service of the Senate, and the 7 top ranking members (including the chairman) of the Committee on Post Office and Civil Service of the House of Representatives. Of the 7 ranking members of each committee, 4 shall be members of the majority party and 3 shall be members of the minority party.

(2) The chairman of the joint committee shall be the chairman of the Committee on Post Office and Civil Service of the House of Representatives, and the vice chairman shall be the chairman of the Committee on Post Office and Civil Service of the Senate. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. Five of the members of the joint committee shall constitute a quorum for the transaction of business. The joint committee shall fix the number of members who shall constitute a quorum for each subcommittee thereof.

(b) The joint committee, acting as a whole or by subcommittee, shall conduct or cause to be conducted a thorough investigation and study of various methods for the classification of positions and the determination of rates of basic salary in the postal field service and all matters relating thereto (including personnel and pay benefits and administration), in order to provide a basis, through the enactment of appropriate legislation following the submission to the Congress of the recommendations of the joint committee, for the establishment of a uniform, integrated, and equitable classification and pay system for all postmasters, officers, employees, and positions in the postal field service. At the request of the joint committee, the Postmaster General and all officers and employees of the Post Office Department shall provide the joint committee with such assistance in connection with its investigation and study as the joint committee deems advisable or appropriate. Such assistance shall include, if so requested, the preparation and submission to the joint committee of specific recommendations for legislation (prepared with due regard for the legislative forms and procedures of the Congress) to establish for the postal field service an equitable classification and pay system which contains, among other matters, proposals designating the specific grade in which each position shall be placed and providing appropriate safeguards, through appeal provisions and otherwise, for the individual postmaster, officer, and employee in the postal field service.

(c) (1) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such places and times; to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; to procure such printing and binding; and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in the case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this section.

(2) The members of the joint committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the functions of the joint committee, other than expenses in connection with meetings of the joint committee held in the District of Columbia during such times as the Congress is in session.

(c) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. The chairman and the vice chairman of the joint committee are authorized to assign from time to time the members of the staff of their respective committees to duties and responsibilities in connection with the operation of the joint committee.

(d) The joint committee shall report to the Senate and the House of Representatives, on or before May 1, 1955, the results of its study and investigation, together with such recommendations as it deems advisable.

(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section, to be disbursed by the Clerk of the House on vouchers signed by the chairman and vice chairman of the joint committee.

SEC. 10. This act shall have the same force and effect within Guam as within other possessions of the United States.

SEC. 11. This act shall take effect on July 1, 1954.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

Page 2, line 12, insert before the word "increases" the word "temporary."

Page 2, line 15, strike out "for" and insert in lieu thereof "of."

Page 2, line 22, strike out "10" and insert in lieu thereof "7."

Page 2, lines 23 and 24, strike out "$600 per annum" and insert in lieu thereof "$480 per annum or less than $240 per annum."

Page 2, line 25, insert "(1)" after "(b)."

Page 3, line 2, strike out "15" and insert in lieu thereof "10."

Page 3, after line 2, insert the following:

"(2) The rates of basic compensation of postmasters at post offices of the fourth class are hereby increased by 7 percent."

Page 3, after line 6, insert the following:

"(d) The increases in rates of basic compensation provided by this section shall not apply to longevity salary increases earned on or after the effective date of this section."

Page 3, line 20, strike out "quarter" and insert in lieu thereof "first complete pay period."

Page 3, line 22, strike out "quarter" and insert in lieu thereof "first complete pay period."

Page 3, line 24, strike out "quarter" and insert in lieu thereof "first complete pay period."

Page 4, line 1, strike out "quarter" and insert in lieu thereof "first complete pay period."

Page 4, strike out lines 3 to 17 inclusive, and insert in lieu thereof the following:

"(c) Section 2 of such act of May 3, 1950, as amended, is hereby amended by striking out 'and thereafter shall be promoted to longevity grades A, B, and C at the beginning of the quarter following the completion of 3, 5, and 7 years of service, respectively, in the next lower grade, except that if prior thereto any such employee becomes eligible for promotion under subsection (b) of section 1 of this act, such employee shall be promoted in accordance with the provisions of such subsection,' and inserting in lieu thereof 'and on and after the effective date of this amendatory provision shall be assigned to longevity grades in accordance with subsection (b) of the first section of this act, as amended.' "

Page 4, immediately after amendment No. (13) and before line 18, insert the following:

"(d) No employee shall be reduced in compensation by reason of the amendments made by this section."

Page 5, line 14, insert before the quotation marks the following: "Uniforms furnished to, or purchased by, an employee under this section shall become the property of such employee."

Page 6, line 11, strike out "act" and insert in lieu thereof "section".

Page 6, strike out beginning with line 16 through line 2 on page 7, and insert in lieu thereof the following:

"SEC. 9. (a) (1) There is hereby established a Joint Committee on Postal Field Service Classification (hereinafter referred to as the 'joint committee'), to be composed of 7 members (including the chairman) of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and 7 members (including the chairman) of the Committee on Post Office and Civil Service of the House of Representatives, to be appointed by the Speaker of the House of Representatives. Of the 7 members appointed from each committee, 4 shall be members of the majority party and 3 shall be members of the minority party."

Page 7, line 3, strike out beginning with the word "The" through the period in line 7, and insert in lieu thereof the following: "The chairman and the vice chairman of the joint committee shall be elected by the members of the joint committee."

Page 9, line 13, strike out "(c)" and insert in lieu thereof "(3)".

Page 10, after line 7, insert the following:

"SEC. 11. (a) Section 7 of the act entitled 'An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes,' approved July 6, 1945 (Public Law 134, 79th Cong.), as amended, is amended to read as follows:

"'METHOD OF PAYMENT

"'SEC. 7. (a) The compensation of postmasters and per annum rate employees shall be paid in 26 installments. Each such installment shall be the compensation for a pay period of 2 weeks. The compensation of hourly rate substitute employees and other hourly rate employees shall be computed for each pay period of 2 weeks on the basis of the number of hours of work performed by such employees during such pay period.

"'(b) To compute an hourly rate for postmasters and per annum rate employees, the per annum rate shall be divided by 2080.

"'(c) To compute a daily rate for postmasters and per annum rate employees, the hourly rate shall be multiplied by the number of daily hours of service required.

"'(d) Subsections (b) and (c) of this section shall not apply to carriers in the rural delivery service. Whenever, for pay computation purposes, it is necessary to convert the basic annual rate of compensation of carriers in the rural delivery service to a basic daily or biweekly rate, the following rules shall govern:

"'(1) An annual rate shall be divided by 312 to derive a daily rate.

"'(2) A daily rate shall be multiplied by 12 to derive a biweekly rate.

"'(e) All rates shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

"'(f) When a pay period for any postmaster or employee begins in one fiscal year and ends in another, the gross amount of the earnings of such postmaster or employee for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period.'

"(b) Section 8 of such act of July 6, 1945, as amended, is amended by adding at the end thereof a new subsection (d) to read as follows:

"'(d) The salaries of postmasters, assistant postmasters, and supervisors paid under the provisions of this section shall be readjusted at the beginning of the first complete pay period in each fiscal year.'

"(c) Section 9 (b) of such act of July 6, 1945, as amended, is amended by adding at the end thereof a new sentence to read as follows: 'The salaries of superintendents and assistant superintendents of classified stations shall be readjusted at the beginning of the first complete pay period in each fiscal year.'

"(d) Section 11A of such act of July 6, 1945, as amended, is amended by striking out 'and shall be promoted successively at the beginning of the quarter following one year's satisfactory service in each grade to the next higher grade until they reach the top automatic grade' and by inserting in lieu thereof 'and shall be promoted successively at the beginning of the first complete pay period following 52 weeks of satisfactory service in each grade to the next higher grade until they reach the top automatic grade.'

"(e) Section 13 of such act of July 6, 1945, as amended, is amended by adding immediately after subsection (a) thereof a new subsection (b) to read as follows:

"'(b) The salaries of employees paid under the provisions of this section shall be readjusted at the beginning of the first complete pay period in each fiscal year.'

"(f) Section 14 of such act of July 6, 1945, as amended, is amended by adding immediately after subsection (a) thereof a new subsection (b) to read as follows:

"'(b) The salaries of employees paid under the provisions of this section shall be readjusted at the beginning of the first complete pay period in each fiscal year.'

"(g) That part of subsection (1) of section 14 of such act of July 6. 1945, as amended, which precedes the first proviso is amended to read as follows:

"'(1) Temporary employees in the custodial service paid on an annual basis shall be paid at the rates of pay of grade 1 of the position in which employed and shall, at the beginning of the first complete pay period following 52 weeks of satisfactory service in each pay status, be advanced successively to the rates of pay of the next higher grade of such position; and temporary employees in the custodial service paid on an hourly basis shall be paid at the rates of pay of grade 1 of the position in which employed and shall, at the beginning of the first complete pay period following 52 weeks of satisfactory service in each pay status, be advanced successively to the rates of pay of the next higher grade of such position.'

"(h) Section 15 (b) of such act of July 6, 1945, as amended, is amended by striking out "and shall be promoted successively at the beginning of the quarter following 1 year's satisfactory service in each grade until they reach grade 8," and by inserting in lieu thereof "and shall be promoted successively at the beginning of the first complete pay period following 52 weeks of satisfactory service in each grade until they reach grade 8."

"(i) That part of section 18 (f) of such act of July 6, 1945, as amended, which precedes the first proviso is amended to read as follows:

"'(f) Each temporary employee in the mail equipment shops paid on an annual basis shall be paid at the rate of pay of the lowest grade provided for a regular employee in the same type of position in which such temporary employee is employed, and shall, at the beginning of the first complete pay period following 52 weeks of satisfactory service in each pay status, be advanced successively to the rates of pay of the next higher grade of such position.'

"(j) The first section of the act of April 15, 1947 (Public Law 35, 80th Cong.), as amended, is amended by striking out "shall be promoted successively at the beginning of the quarter following 1 year's satisfactory service in each grade' and by inserting in lieu thereof 'shall be promoted successively at the beginning of the first complete pay period following 52 weeks of satisfactory service in each grade.'

"(k) All laws or parts of laws inconsistent with the amendments made by this section are hereby repealed or modified to the extent necessary to carry out the purposes of and conform to such amendments."

The committee amendments were agreed to.

The Clerk read as follows:

Page 16, line 24, strike out all of line 24 and insert the following:

"SEC. 12. (a) This act shall take effect as follows:

"(1) The first section, sections 9 and 10, and this section shall take effect on the date of enactment of this act;

"(2) Sections 2, 7, and 8 shall take effect on July 1, 1954;

"(3) Sections 4, 5, and 6 shall take effect on the first day of the first calendar month following the calendar month in which this act is enacted; and

"(4) Sections 3 and 11 shall take effect on the first day of the second calendar month following the calendar month in which this act is enacted.

"(b) The increases in basic compensation provided in section 2, and any additional compensation granted by the Governor of the Canal Zone to postal employees of the Canal Zone Government under section 8, of this act, shall not be in effect on and after the first day of the first pay period which begins after September 30, 1955."

Mr. HAGEN of Minnesota. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, lines 4 and 5, strike out "July 1, 1954" and insert "Beginning with the first pay period which begins following the date of enactment."

The amendment was agreed to.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORD, 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. 9245) to establish a joint committee of Congress to study postal field service reclassification, to increase the rates of basic compensation of postmasters, officers, and employees in the postal field service pending reclassification pursuant to recommendations of such joint

committee, and for other purposes, pursuant to House Resolution 590, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en bloc.

The amendments were agreed to.

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

The SPEAKER. The question is on the passage of the bill.

Mr. MURRAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MURRAY. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. MURRAY moves that the bill H. R. 9245 be recommitted to the House Committee on Post Office and Civil Service.

Mr. HAGEN of Minnesota. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. FULTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FULTON and Mr. MORRISON demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 352, nays 29, not voting 51, as follows:

[Roll No. 138]

YEAS—352

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Allen, Calif.
Andersen, H. Carl
Andresen, August H.
Angell
Ashmore
Aspinall
Auchincloss
Ayres
Bailey
Baker
Barrett
Bates
Battle
Beamer
Becker
Bender
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Bishop
Blatnik
Boland
Bolling
Bolton, Frances P.
Bolton, Oliver P.
Bonin
Bonner
Bosch
Bow
Bowler
Bramblett
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Buchanan
Buckley
Budge
Burdick
Burleson
Bush
Byrd
Byrne, Pa.
Campbell
Canfield
Cannon
Carlyle
Carnahan
Carrigg
Celler
Chelf
Chenoweth
Chiperfield
Chudoff
Church
Clevenger
Cole, Mo.
Cole, N. Y.
Colmer
Cooley
Coon
Cooper
Corbett
Coudert
Crosser
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Dawson, Ill.
Dawson, Utah
Deane
Delaney
Dempsey
Derounian
Devereux
D'Ewart
Dingell
Dodd
Dollinger
Dolliver
Dondero
Donohue
Donovan
Dorn, N. Y.
Dowdy
Doyle
Durham
Eberharter
Edmondson
Elliott
Ellsworth
Engle
Fallon
Feighan
Fenton
Fernandez
Fine
Fino
Fisher
Fogarty
Forand
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
Gentry
George
Goodwin
Gordon
Graham
Granahan
Grant
Green
Gregory
Gross
Hagen, Calif.
Hagen, Minn.
Hale
Haley
Hand
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Hart
Harvey
Hays, Ark.
Hays, Ohio
Hébert
Herlong
Heselton
Hess
Hiestand
Hillelson
Hinshaw
Hoeven
Hoffman, Ill.
Holifield
Holmes
Holt
Holtzman
Hope
Horan
Hosmer
Howell
Hruska
Hunter
Hyde
Ikard
James
Jarman
Javits
Jenkins
Jensen
Johnson, Calif.
Johnson, Wis.
Jonas, Ill.
Jonas, N. C.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Judd
Karsten, Mo.
Kean
Kearney
Kearns
Keating
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kersten, Wis.
Kilday
King, Calif.
King, Pa.
Kirwan
Klein
Kluczynski
Knox
Krueger
Landrum
Lane
Lanham
Latham
Lesinski
Lipscomb
Long
Lovre
Lucas
McCarthy
McConnell
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Iowa
Matthews
Meader
Merrow
Metcalf
Miller, Calif.
Miller, Kans.
Miller, Nebr.
Miller, N. Y.
Mollohan
Morano
Morgan
Morrison
Moss
Moulder
Multer
Natcher
Neal
Nicholson
Norrell
Oakman
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Pilcher
Pillion
Poage
Poff
Polk
Price
Priest
Prouty
Rabaut
Radwan
Ray
Rayburn
Reams
Reed, Ill.
Rhodes, Pa.
Richards
Riehlman
Riley
Roberts
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Sadlak
Saylor
Schenck
Scherer
Scott
Scudder
Seely-Brown
Selden
Shafer
Shelley
Sheppard
Short
Shuford
Sieminski
Sikes
Simpson, Ill.
Small
Smith, Miss.
Smith, Wis.
Spence
Springer
Staggers
Steed
Stringfellow
Sullivan
Talle
Taylor
Teague
Thomas
Thompson, La.
Thornberry
Tollefson
Trimble
Utt
Van Pelt
Van Zandt
Velde
Vursell
Wainwright
Walter
Wampler
Warburton
Watts
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. J.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Wilson, Tex.
Winstead
Wolverton
Yates
Yorty
Young
Younger
Zablocki

NAYS—29

Allen, Ill.
Andrews
Arends
Byrnes, Wis.
Cederberg
Davis, Wis.
Ford
Hoffman, Mich.
Jackson
Laird
Merrill
Miller, Md.
Mills
Mumma
Murray
Phillips
Reece, Tenn.
Reed, N. Y.
Rees, Kans.
Rhodes, Ariz.
Robeson, Va.
St. George
Simpson, Pa.
Smith, Kans.
Smith, Va.
Stauffer
Taber
Tuck
Vorys

NOT VOTING—51

Barden
Belcher
Bentley
Bentsen
Boggs
Boykin
Busbey
Chatham
Clardy
Condon
Cotton
Cretella
Curtis, Nebr.
Dies
Dorn, S. C.
Evins
Golden
Gubser
Gwinn
Halleck
Hill
Hillings
Kilburn
Lantaff
LeCompte
Lyle
McCormack
Machrowicz
Mason
Nelson
Norblad
O'Brien, Mich.
Patten
Patterson
Powell
Preston
Rains
Regan
Rivers
Roosevelt
Scrivner
Secrest
Sheehan
Sutton
Thompson, Mich.
Thompson, Tex.
Vinson
Weichel
Wheeler
Withrow
Wolcott

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack for, with Mr. Halleck against.

Until further notice:

Mr. Cretella with Mr. Boykin.
Mr. Kilburn with Mr. Rivers.
Mr. Busbey with Mr. Bentsen.
Mr. Mason with Mr. Lyle.
Mr. Golden with Mr. Rains.
Mr. Gubser with Mr. Dies.
Mr. Withrow with Mr. Vinson.
Mr. Sheehan with Mr. Preston.
Mr. Hillings with Mr. Wheeler.
Mr. Bentley with Mr. Boggs.
Mr. Clardy with Mr. Evins.
Mr. Gwinn with Mr. Regan.
Mr. LeCompte with Mr. Roosevelt.
Mr. Scrivner with Mr. Lantaff.
Mr. Weichel with Mr. Machrowicz.
Mr. Nelson with Mr. Dorn of South Carolina.
Mr. Cotton with Mr. Thompson of Texas.
Mr. Walcott with Mr. Chatham.
Mr. Hill with Mr. Barden.
Mr. Curtis of Nebraska with Mr. Powell.
Mr. Patterson with Mr. Patten.
Mr. Norblad with Mr. O'Brien of Michigan.
Mr. Belcher with Mr. Condon.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HAGEN of Minnesota. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

Mr. CRETELLA. Mr. Chairman, early this afternoon, the House voted on H. R. 9245, the postal salary increase bill. I had voted in favor of this bill in the Post Office and Civil Service Committee of which I am a member. I also signed the discharge petition to bring this bill onto the floor for action. However, on rollcall today, I was unable to be here in time to record my vote, but was paired generally and had I been here I would have voted "Aye." I think it proper to explain my inability to be here. I was scheduled to fly from New Haven, Conn., this morning at 10 a. m. The weather was extremely foul and as a result the plane could not land for over 2 hours and it became necessary to drive 20 miles to Bridgeport, Conn., where we finally got into the air. Flight time for this trip is normally 1½ hours.

Foul weather persisted and we were then sent to western Pennsylvania, and with the help of God arrived in Washington a little after 3 p. m.

I naturally was disappointed by this turn of events, and want to assure all postal employees of my interest in the legislation, having conscientiously attended almost all hearings when testi-

mony was being taken, and had concluded that a postal salary increase was justified.

AMENDING TRADING WITH THE ENEMY ACT

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Minnesota [Mr. O'HARA] to recommit the bill (S. 2420) to amend section 32 of the Trading With the Enemy Act, as amended.

Without objection, the Clerk will again report the motion to recommit.

There was no objection.

The Clerk read as follows:

Mr. O'HARA of Minnesota moves to recommit the bill S. 2420 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. The question is on the motion.

The motion to recommit was rejected.

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

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

There was no objection.

Mr. KEATING. This bill, S. 2420, seems so obviously fair and just and desirable that the only question is why we did not get around to doing it sooner. When Congress set up the program for impounding the property of enemy nationals during the last war, it was inevitable that the exigencies of the situation would lead to the expropriation of the properties of some of Hitler's victims of enemy nationality, along with that of our true enemies. It is our duty to set this right, and the instant bill would help do so by taking care of the property left in our hands because its former owners either lost their lives or have since died without heirs. There is not a great deal of money involved, but the principle is most important and I hope we will act promptly in affirming the purpose of this measure.

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

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

There was no objection.

Mr. SCOTT. Mr. Speaker, all of us are aware of the persecution practiced by Hitler and the Nazi regime and those of us who have at first hand had the opportunity to observe results thereof are especially solicitous for those who were fortunate enough to survive.

In 1946 legislation was enacted providing that property vested in the Alien Property Custodian which had belonged to persons who either had been persecuted or killed by enemy forces in World War II should be returned to such persons if alive or to their heirs if they had died. Accordingly it was declared such property does not belong to the United States. Difficulties have been encountered in the distribution of these assets due mainly to the fact heirs cannot be found inasmuch as Jewish families in great numbers were completely wiped out by Hitler. Therefore, it is essential provision be made for the distribution and use of these funds in an appropriate and just manner. It is proposed that certain approved organizations be designated to act as heirs and provide for disposition of the funds, which would have to be expended in the United States, and upon destitute persons. A similar law is in effect in Germany, under which such money is to be turned over to an organization which will use it for the benefit of persecutees of similar religious or political groups.

This pending legislation has been the subject of thorough committee consideration. The Bureau of the Budget has indicated approval of the objectives, as has the Department of State. I, too, join in urging passage of this worthy legislation.

MANPOWER PROBLEMS

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

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

There was no objection.

Mr. PHILBIN. Mr. Speaker, Dr. Hannah's plan for military manpower is apparently not yet available for perusal and study. From press reports I have read it appears that this plan would utilize selective service to build up a reserve. This would be nothing new since all who currently serve, upon their release, become part of the Reserve and hence are available for service if necessary.

The trouble is that many such reservists, in the event of emergency or war, might be subject to a second call to service. This would be most unfair unless we were engaged in all-out war when, of course, everyone would have to serve, probably for an extended period.

It is contemplated by Dr. Hannah's plan, I understand, to federalize the National Guard and require all boys upon completion of their 2 years' service to serve for an additional period of years in the National Guard subject to regular drill and training. It is my opinion that such a proposal is likely to meet with strong objection from the Governors and adjutants general of the several States and those interested in the National Guard as essentially a State institution except in war.

Admittedly our military manpower problems are sizable and complex, but I do not believe we can afford to experiment with them. I think we should stick as closely as possible to the patterns which we have used in the past—broadening and perfecting them when we can to meet current and future contingencies. It is important to eliminate inequities and discriminations, of which we have had so many since the Korean war began, but it is also important to have our Armed Forces properly staffed and manned.

One fundamental difficulty is that some people have the idea that there is a cheap way to fight a great war, that the A-bomb and H-bomb coupled with jet planes, guided missiles, and rockets will minimize manpower problems. Nothing could be further from the truth. Scientific gadgets alone cannot win a war. Manpower is required. Armed forces are vital to that end.

While we are developing all these modern weapons with reasonable speed and while some of the weapons are undoubtedly not only incredibly destructive but also calculated to deter and shorten war, if it should come, we should not lose sight of the fact that in the last analysis manpower is imperative to implement all our Armed Forces. This must be trained manpower and must be always available—sizable numbers of permanent professional personnel not only to train recruits but to handle effectively the many complicated weapons which our Armed Forces must utilize in the event of war. There is no short cut to victory in modern war. Unfortunately and regrettably, American boys will have to fight just as they have done in the past to defend the Nation. That is why we should make intensive efforts to keep the peace if that can be done without bartering away our liberties.

I noted Secretary Wilson's comment to the effect, in substance, that if our Reserve situation were known it would create a scandal which would shock the American people, or words to that purport. It must be stated that our present lack of Reserves can be attributed to the Armed Forces themselves.

Congress has repeatedly given all branches of the service funds to build up large Reserves and to strengthen the National Guard, but in a surprising number of instances these funds have not been substantially used, indicating that there was no real wholehearted effort to build up the Reserves. The reason for this is plain. There were some in the military who were so intent upon putting UMT across that they were not interested in building up a Reserve.

I do not believe that we can match our potential enemies in manpower, but we can match and outmatch them in know-how, specialization, training, and productivity.

Getting adequate Reserves should be a relatively simple task if the Congress would tackle it. If a program were considered to train young men in military installations, schools, and colleges as fairly close to home as possible during 3 months of the summer season for a period of 2 years, then enroll them in the Reserves for some additional period, with the requirement that they serve in refresher training for about a month every summer for an additional 4 years, that might be a good start at trying to build up a sound Reserve. It would minimize some inconveniences and objections, but such a plan is too simple and too rudimentary and workable for the military. Only a far more complicated one would satisfy them—one which will insure larger numbers of high-ranking officers and rapid promotion possibilities.

The Congress must forthwith assert its prerogatives and give immediate careful attention to the Reserve problem. Congress can and should take

practicable measures to raise a necessary Reserve. It is a serious problem we can not defer or sidetrack. It must be promptly faced.

RELIGIOUS PERSECUTION BEHIND THE IRON CURTAIN

Mr. PHILBIN. Mr. Speaker, I have been recently privileged to read an excerpt of the testimony of Rev. Bishop W. Fierla, vicar of the Lutheran congregation in London, before the Committee on Communist Aggression, presided over by my good and very able friend from Wisconsin, Congressman CHARLES J. KERSTEN, which was given before the committee Friday, June 18, at London.

This eminent divine testified that in April 1950, by command of Marshal Rokossowski, Russian commander:

> The spiritual care of Lutheran members of the Polish forces was discontinued, the chief Lutheran chaplain, Col. F. Gloeh, was sent into retirement, and the remaining chaplains were released from the army.

The testimony continues to the effect that "in 1950 the regime confiscated the monumental Holy Trinity Church in Warsaw without any compensation." This church was known as the Lutheran Cathedral of Poland, and could accommodate 5,000 communicants. It was built during the reign of the last King of Poland, Stanislaw August, in the years 1778 to 1781. During the period 1939–45 it was destroyed and burned by enemy attack but has since been rebuilt at great cost and sacrifice by Polish Lutherans.

At present, however, in view of the 1950 confiscation, it is used for concerts and meetings of the Communist Party.

The synod of the Lutheran Church in Poland refused to surrender its prerogatives and introduced various changes into the church constitution of 1936, which were incompatible with the provisions of the new constitution, which, in substance, permits the regime to exert pressure on the synod and exercise control over church affairs. In 1951 the regime refused to permit the election of a bishop of the Lutheran Church in Poland despite the fact that the proposed bishop-designate, Prof. Dr. J. Szeruda, had been performing the duties of bishop since 1945, and had the full confidence and support of members of the synod.

It will be recalled that former Bishop Burshe was brutally killed in a German concentration camp.

According to the further testimony before the committee, the printing and publishing of religious literature has been prohibited and the authorities have refused to authorize the issue of paper to the church for this purpose.

Furthermore, the church has been refused permission to accept a gift of 40,000 copies of the church hymn book comprising 648 pages offered to the church by a Swedish organization known as Polenhjelpen.

The bishop further stated that at the present time the pastors of his churches are being arrested and persecuted by the state secret police of the new regime and declared that religious instruction in schools has been forbidden. Church buildings and property are being confiscated together with belongings of associated colleges and schools.

Permission to reopen the Lutheran Hospital in Warsaw has been refused by the regime. A number of homes for orphans and old people have been closed.

Difficulties are put in the way of students wishing to enroll at universities of theology, by directing them to Red army recruiting centers in the provinces.

Lutheran pastors are spied on at services, at social and religious gatherings, and even in their private lives.

The Polish Lutheran Youth Association has been dissolved.

The Lutheran ministers must obtain licenses from the authorities. Sometimes these licenses are granted for a year, sometimes for 6 months, but frequently they are refused altogether.

Bishop Karol Kotula has been refused permission to continue in office on the ground that he has reached the age of 70 years. Bishop Fierla states categorically that religion as a whole is persecuted in Communist-dominated Poland.

It is obvious from the foregoing that the Communist regime is an enemy of religion in Poland as it is in every other country. A cardinal Marxist principle is hostility and irreconcilable enmity to all religion and to the idea of God and to the concept of a Divine Being. Communism is not only atheistic in the philosophical sense but it is actively atheistic, actively opposed to any form of religious philosophy and worship, actively engaged in prohibiting religious ceremonies, actively seeking to disrupt, cripple, and abolish religious organizations, and actively carrying out not only opposition to the Christian religion but every other religion as well.

There is said to be just one Evangelical Christian Church in all Russia. The property of this church has been confiscated by the Soviet and its activities interdicted. It is intended to serve Catholics in Moscow in a small parish drawn from the native population and members of the Foreign Diplomatic Corps. Great restrictions have been placed upon its operations and ceremonial functions. It is practically defunct by Red regime orders.

When are the American people going to wake up to the fact that communism is the enemy of all religion and that it is militantly engaged in uprooting all religion? Will we not take note also of the fact that it is militantly engaged in uprooting all free democratic institutions beginning with the family unit, continuing through our educational and social life and crowning its nefarious efforts with continuing exertions to destroy all free economic and political systems?

The statesman who believes that it will long be possible for the free world to live in peaceful coexistence with those who are plotting and feverishly working for the destruction of freedom and the extension of universal slavery in this world certainly is not perusing either past history or the history of this current era. There can be no truly peaceful coexistence in such a world.

We will accept the challenge of this enemy now, or we will delay and wait until this monstrous enemy has gained such strength that he will be able to overwhelm us. I am not advocating a preventive war. I am not advocating provocation of the Soviet. I am merely stating that this Nation must become aroused to the realities and great dangers which surround us. Instead of caviling, truckling, and appeasing this great insidious force, instead of shuddering over the awesome effects of the atomic and hydrogen bombs this Nation must speedily move to lay out a course of international action backed up by the great strength and power which we have and announce to the Soviets that we do not propose to stand by while freedom is destroyed, that she will stop her depredations against free nations and her threats to our own security or suffer the consequences. To show weakness in this crisis is to invite doom for freedom in the world, destruction of America.

We have a great deal of unlimited internationalism in this Nation today, but I submit it is time for us to have more militant Americanism, more militant concern for the safety and security of our own country and, above all, unswerving determination to protect it from the evils of Communist infiltration, Communist propaganda, Communist conspiracy, and potential Communist aggression. We will be vigilant in preserving our liberties or we will lose them before we realize it. That is an outstanding fact of present-day history. It is an urgent warning. Will we heed it?

COMPETITIVE ATHLETICS AND NATIONAL VITALITY

Mr. PHILBIN. Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD, I include therein a recent article by Tom Whitney, former A. P. staff member in Moscow, which recently appeared in the Worcester Sunday Telegram.

The steady progress of Russian athletics in the past few years has been noted before. At the last Olympic games, the Soviet made a noticeable showing. As this article indicates, the Soviet is steadily gaining higher ranking at world athletic competition in almost every field.

According to this article, during the half year just passed, the Soviet seized world supremacy in skiing and speed skating both for men and women. In some events they excelled the Scandinavians, who are regarded as being among the world's best skiers. They captured the women's world speed skating championship; also the world hockey championship, defeating Canada in the final game, although this was their debut on the world hockey stage.

They established new records in weight lifting. Soviet women bettered the world record for the javelin throw and the broad jump. In wrestling they made an impressive record. In basketball they won against all European competition by taking the Milan cup. They bettered eight world records in sharpshooting. The Soviet women's basketball team won the European championship at Belgrade. Both Soviet men and women gymnasts won 10 of 14 gold med-

als in the world championships at Rome for both men and women and team champions of the world. The Soviet captured several prizes at the Henley Regatta in England, winning 3 out of 5 events.

This is the record in brief for only the half year just passed. There is apparently intense Soviet activity in developing proficiency in figure skating, water polo, riding, cycling, fencing, swimming, and other sports. They are popularizing tennis. They are promoting a lively interest in competitive athletic sports. Although they were behind the United States at the Helsinki Olympics they made better than a good showing and have reputedly attracted a great deal of attention in European countries for their victories.

What is the meaning of this rapid advancement of Russia in the world of sports? Does it mean that Russian young people are spending more time in developing their athletic skills and hence improving their bodily strength and health and greatly improving their competitive position in sports?

A great statesman once said that British victories in war were won on the playing fields of Harrow and Eton. This meant in effect that strength, agility of body, and keenness of mind developed by sport and competitive athletics played an essential part in winning great historic battles. Our own Nation has had many confirmatory examples of this fact.

To what extent is superiority in competitive athletics tied in with national success, prosperity, and invincibility in warfare? I am not contending, of course, that athletic superiority alone might be a determining factor in developing a great nation or winning a war.

Any game worth playing is worth winning. If we cannot keep alive the competitive spirit among young people, what is the long-range prospect for vigorous social, economic, and political systems? What is our prospect in time of war?

These are questions which the American people should carefully consider because scientific gadgets, powerful explosives, fast traveling planes and missiles alone cannot defend this Nation. In the last analysis men of strength, courage, and high purpose will be required for that vital task.

It well may be that through increased participation in athletic competitive sports by the nations, that the Iron Curtain can be lifted a bit or possibly be swept aside for just a while. I hope that will be the case.

[From the Worcester (Mass.) Sunday Telegram of August 8, 1954]

RUSSIAN ATHLETES MAKING IMPRESSIVE SERIES OF TRIUMPHS

(Tom Whitney, who was an AP staff member in Moscow at the time Russia broke its athletic isolationism in the 1952 Olympics, writes about the post-Olympic feats of the Russians.)

(By Tom Whitney)

NEW YORK.—This year Russian athletes have been meeting more and better foreign competition than ever before—and piling up an extremely impressive record of triumphs.

Under the present regime it's no longer the general rule as it was under Josef Stalin that Soviet teams are permitted to compete with foreigners in general only when it is absolutely certain that they will win.

Now they have the right to lose, apparently. But, in fact, this year at least in international games and meets, they have not lost very often.

Here's what Soviet athletes have done just since the beginning of this year:

RUSSIANS SHINE IN SKIING

Boris Shilkov, speed skater, captured the world championship in a meet in Japan in January. He and his colleagues swept most of the races in the competition and firmly established Soviet supremacy in this sport.

In February the Russians for the first time entered their skiers in a big international meet against the world's best in Sweden. The Russians won the biggest event when Vladimir Kuzin took the 50-kilometer race. Previously he had won the 30-kilometer race. Y. Skvortsov surprised the Scandinavians by taking second place in the jump, while 3 of his colleagues took places in the first 10.

Among the women, the 10-kilometer race was won by a Russian girl. The women's relay was won by the Russians and they took second place in the men's relay.

Overall, they made an excellent showing—in many events proving superior to the Scandinavians, who are among the world's best skiers.

In the same month, Lydia Selikhova successfully defended her title of world champion women's speed skater.

CANADA'S HOCKEY TEAM FALLS

In March the Russians won the world hockey championships in Sweden, defeating Canada in the final game, 7-2. This was their debut on the world hockey stage.

In April Soviet lifters, touring the Middle East, stressed their well-known ability in this sport by establishing a pair of new world records.

In May Soviet women track athletes bettered the world records for the javelin throw (previously held by the U. S. S. R.) and the broad jump.

The same month a Russian wrestling team went to Tokyo, where it made an excellent showing in world championship competition. In three weight classes the Soviet team captured the title and finished second in team points—right on the heels of the Turks, who have been supreme in this field for a long time.

The Soviet men's basketball team stressed its supremacy against all European competition by winning a cup in Milan the last day of May.

At a marksmanship contest in Lvov, in which 4 countries participated, Soviet riflemen bettered 8 world records.

June 13 a Soviet women's basketball team won the European championship in Belgrade.

In track, Soviet men and women made an excellent showing at Helsinki in July.

Also in July Soviet men and women gymnasts swept the field in the world championships at Rome. They won 10 of 14 gold medals, including the title of absolute champion of the world for both men and women and team champion of the world.

Again last month the Russians entered the Henley regatta in England for the first time. They took home 3 out of 5 prizes, including the chief one.

It's clear from this listing that the Russians, during this half year alone, have invaded successfully a number of international sports in which they had not previously participated, including hockey, men's speed skating, and skiing.

Reports from Russia further indicate the Russians are readying themselves to enter other sports as well.

Figure skating is a sport which the Russians have neglected for many years. Now they are showing intense interest. Polish figure skaters came to Russia to give some pointers during the early months of the year. There is every evidence the Russians are going to go in for this in a big way.

There are Soviet moves in the direction of international experience in water polo, riding, cycling, fencing, swimming, and other sports—some of them Olympic sports and some not.

The Russians, it appears, are going to go in for almost every important international sport. Even in tennis, in which they are quite backward, the Russians have had editorials calling for popularization of the game.

SOCCER MOST POPULAR

Golf apparently remains an exception. So far the Russians have not built any golf courses or shown any interest in the game.

The most popular sport in Russia for spectators is soccer (football, as the Russians call it). For some reason or other the Russians did not send any team to participate this year in the world soccer championships in Switzerland.

Other Communist teams competed, however, including the powerful Hungarians, but the Russians stayed home. Perhaps, by not entering, the Soviet Government was punishing the Soviet soccer team for its defeat in the 1952 Olympics in Helsinki at the hands of the Yugoslavs.

At the same time the Soviet soccer elevens have been playing many outstanding European teams at home and abroad in what seems to be clearly an effort to acquire plenty of experience in international play.

EUROPE PAYING ATTENTION

By the end of the summer it will be much easier to judge how much progress the Russians have been making over their 1952 performances in Helsinki in men's track and field events. The Russians themselves are stressing this sector of sport in which, though they scored some successes in Helsinki, they showed themselves to be far behind the United States. It seems likely the great efforts of Soviet sport organizations to improve performance will get some results and the United States faces stiffer competition in this branch of sports in the future. The Soviet women continually are improving their already strong positions, in a large number of track and field events.

Soviet sports successes do not seem to be attracting much notice in the United States. They are, however, getting a great deal of attention in Europe. The meets in which Russians are winning medals are being held frequently in European countries. And the sports in which they are winning are sports which are popular in Europe.

Soviet sports triumphs, as the Soviet Government well knows, have done much to increase the prestige of the Soviet Union outside Soviet borders.

LEAD AND ZINC TARIFF

Mrs. PFOST. 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 gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, President Eisenhower's statement that he will require more than the traditional 60 days to decide whether to accept or reject the Tariff Commission recommendations on lead and zinc indicates the tough spot he is in.

The President personally favors free trade—or the nearest thing to it he can manage without explosive political repercussions. It will also be remembered that

when the House considered the Simpson sliding-scale tariff bill last year, Canada threatened reprisals by raising tariffs on such vital items as nickel and asbestos. Mexico might well indulge in reprisals also. Hence it is easy to understand the President's reluctance to approve the lead-zinc tariff increases recommended by the Tariff Commission despite pressure on him to do so.

To date there has been no long-term directive issued for lead-zinc stockpile purchases. Last week one of the month-to-month directives was issued. It called for the purchase of lead and zinc in quantities large enough to keep the bottom from falling out of the market, but too small to allow any shutdown mines to open. The market continues to weaken, and futures are selling at below the current market price in both New York and London. The need for further action is obvious.

It is clear that the White House staff and associated agencies have not yet come up with a solution to the lead-zinc problem which will be sound both politically and economically. Otherwise, why did not the President reject the Tariff Commission recommendations and in the same breath announce a plan which would pull the rug from under the high tariff advocates, as he did in the case of wool?

Why is it so hard for the White House economic wizards to come up with the answer? Possible solutions seem limited and each, from the administration standpoint, has its drawbacks.

One solution would be unlimited open-end market purchases of all metal offered until the price rises to a point where most shutdown mines could reopen. Such a program, however, would be enormously expensive. For one thing there would have to be assurance of a longtime, firm operation before most producers could be induced to reopen. Then an operation of this sort would accumulate vast quantities of metal.

One result, however, would please the administration. The mining industry—worldwide—would be stimulated.

A cheaper solution would be to give floor price contracts of several years' duration to United States producers. Prices would have to be set to allow a majority of the mines to operate. When the market price rose above the contract price, the metal could be sold into trade channels. When the market price fell below the individual floor, the Government would buy the metal—or it could be dumped on the market and the Government would pay the producer the difference between the current market and the floor price.

Under this plan it would not be necessary to buy all metal tendered on the open market and the money would go where it was needed. If the Government did not buy the metal, its sale on the open market probably would depress prices and automatically reduce imports to where they balanced our needs. The administration would not like this—and neither would the importers—but the cost of the plan would be relatively low. Since lower metal prices would reduce the cost of consumer goods, labor would probably approve of this plan.

Provided there were firm commitments for several years' operation, there are two kinds of subsidy plans that could be tried:

(a) Across-the-board subsidies: These would be easiest to administer. The producers would be paid directly the difference between a price which would be fixed high enough and established for a long enough period, and the current market price. Allowances would, of course, have to be made for a reasonable profit. This plan might suit the administration since ceilings established high enough to put high-cost producers back in the business would inevitably give big windfalls to large, low-cost producers. However, the political repercussions might be severe. Unless the Government bought all the subsidy metal this plan would also probably depress market prices.

(b) This leaves the individual incentive payment subsidy along the lines of the Murray-Pfost incentive payments bill plan. Our bill would be the most equitable and cheapest method of supporting lead-zinc and other strategic domestic mining industries. It has two major drawbacks. The first is that the mining industry has been carefully indoctrinated with the idea that such a plan would result in too close supervision by the Government. The second is the fear that it would lead to the nationalization of industry.

Anyone who carefully studies the reports of the very successful operation of the premium price plan from 1942 to 1947 will see immediately that these arguments are absurd. They are only a smokescreen. The real objection is that the Murray-Pfost plan would act as an automatic antimonopoly device and also prevent the gravy from going to the pets. This is a fact that Representative Harless of Arizona once pointed out on the floor of this House.

After carefully considering the possible alternatives to a tariff increase, it is easy to understand President Eisenhower's dilemma. A decision could be and has been put off from month to month. The delivery of the Tariff Commission's recommendations to the White House has brought the matter to a head. The decision may be put off for a few days or weeks, but it has to be made—one way or another. I cannot see how a rejection can be made unless at the same time a plan can be found which will be acceptable from the standpoint of both politics and economics.

The President is indeed on the spot.

RABBI MORRIS TELLER, D. D.

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I know that I express the sentiment not only my own, but that of the entire membership of the House, in giving expression to our appreciation of the spiritual strengthening given us today in the opening prayer of Dr. Morris Teller, rabbi of the South Side Hebrew Congregation of Chicago. I also wish to express my appreciation and that of my colleagues from Chicago for the graciousness of the beloved Chaplain of the House, Dr. Bernard Braskamp, in joining in the invitation to Dr. Teller and in the reception of welcome to him.

Dr. Teller in his many years of self-abnegating service has made to the city of Chicago a spiritual contribution of transcending value. He is a former president of the Allied Jewish School Board, of the Chicago Rabbinical Association, of the Chicago branch of the Rabbinical Assembly of America, corresponding secretary of the Rabbinical Assembly of America, and president of the South Shore Ministerial Association. He has worked with the members of his own congregation, with those of others of Jewish faith, and with the spiritual leaders of the great churches of Christianity for the advancement of the purposes of God in the activities of men on earth.

Among the members of his congregation is the Honorable Barnet Hodes, whose long and distinguished career in public life was brilliantly climaxed by his tenure for 12 years of the office of corporation counsel of the city of Chicago during which time through the prodigious efforts of Mr. Hodes the office was made the national pattern for the public law offices of the United States.

Dr. Teller has been a vital force in the life of Mr. Hodes as he has been in the lives of the many other fine men and women who are members of his congregation.

LABELING OF PACKAGES CONTAINING FOREIGN-PRODUCED TROUT

The SPEAKER. The unfinished business is the question on House Resolution 687, providing for consideration of the bill (S. 2033) relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout.

The yeas and nays were ordered on Thursday last.

The question is on the resolution.

The question was taken; and there were—yeas 209, nays 159, not voting 64, as follows:

[Roll No. 139]

YEAS—209

Adair	Bolton, Oliver P.	Cole, N. Y.
Addonizio	Bonin	Coon
Allen, Calif.	Bosch	Cooper
Allen, Ill.	Bow	Corbett
Andersen, H. Carl	Bramblett	Cretella
Andresen, August H.	Bray	Crumpacker
Angell	Brown, Ohio	Curtis, Mo.
Arends	Broyhill	Dague
Aspinall	Buchanan	Davis, Ga.
Auchincloss	Budge	Davis, Tenn.
Ayres	Burdick	Davis, Wis.
Bates	Bush	Dawson, Utah
Beamer	Byrnes, Wis.	Dempsey
Becker	Canfield	Derounian
Bender	Carnahan	Devereux
Bennett, Mich.	Carrigg	D'Ewart
Berry	Cederberg	Dodd
Betts	Chenoweth	Dolliver
Bishop	Chiperfield	Dondero
Bolton, Frances P.	Church	Donohue
	Clevenger	Doyle
	Cole, Mo.	Ellsworth
		Engle

Fenton	Kelley, Pa.	Riehlman
Fernandez	King, Calif.	Rodino
Fogarty	King, Pa.	Rogers, Colo.
Ford	Knox	Rogers, Fla.
Frazier	Krueger	Rogers, Mass.
Frelinghuysen	Laird	Sadlak
Fulton	Lane	Saylor
Gamble	Lipscomb	Schenck
Gathings	Lovre	Scott
Gavin	McDonough	Scudder
George	McIntire	Seely-Brown
Goodwin	McVey	Shafer
Graham	Mack, Wash.	Sheppard
Gross	Mailliard	Short
Hagen, Calif.	Marshall	Sieminski
Hagen, Minn.	Martin, Iowa	Simpson, Ill.
Hale	Meader	Simpson, Pa.
Harden	Merrow	Small
Harris	Miller, Calif.	Smith, Kans.
Harrison, Nebr.	Miller, Kans.	Smith, Wis.
Harrison, Wyo.	Miller, Md.	Springer
Hart	Miller, N. Y.	Stauffer
Harvey	Morgan	Stringfellow
Hays, Ohio	Morrison	Taber
Heselton	Moss	Talle
Hiestand	Moulder	Taylor
Hillelson	Mumma	Thompson, La.
Hinshaw	Nicholson	Tollefson
Hoeven	Oakman	Trimble
Hoffman, Ill.	O'Brien, N. Y.	Van Pelt
Hoffman, Mich.	O'Hara, Minn.	Van Zandt
Holmes	O'Konski	Velde
Holt	Osmers	Vorys
Hope	Ostertag	Wainwright
Horan	Pelly	Walter
Howell	Pfost	Wampler
Hunter	Philbin	Warburton
Hyde	Phillips	Westland
James	Poff	Wharton
Jenkins	Priest	Widnall
Johnson, Calif.	Prouty	Wigglesworth
Johnson, Wis.	Ray	Williams, N. J.
Jonas, Ill.	Reams	Williams, N. Y.
Jonas, N. C.	Reed, Ill.	Wilson, Calif.
Kean	Reed, N. Y.	Wolverton
Kearney	Rees, Kans.	Yorty
Kearns	Rhodes, Ariz.	Young
Keating	Rhodes, Pa.	Younger

NAYS—159

Abbitt	Gary	Mills
Abernethy	Gentry	Mollohan
Albert	Gordon	Morano
Alexander	Granahan	Multer
Andrews	Grant	Murray
Ashmore	Green	Natcher
Bailey	Gregory	Neal
Barrett	Haley	Norrell
Battle	Hand	O'Brien, Ill.
Bennett, Fla.	Hardy	O'Hara, Ill.
Blatnik	Harrison, Va.	O'Neill
Boland	Hays, Ark.	Passman
Bolling	Hébert	Patman
Bonner	Herlong	Perkins
Bowler	Hess	Pilcher
Brooks, La.	Holifield	Pillion
Brooks, Tex.	Holtzman	Poage
Brown, Ga.	Hosmer	Polk
Brownson	Ikard	Price
Buckley	Jarman	Rabaut
Burleson	Javits	Radwan
Byrd	Jensen	Rayburn
Byrne, Pa.	Jones, Ala.	Richards
Campbell	Jones, Mo.	Riley
Cannon	Jones, N. C.	Roberts
Carlyle	Judd	Robeson, Va.
Celler	Karsten, Mo.	Robsion, Ky.
Chelf	Kee	Rogers, Tex.
Chudoff	Kelly, N. Y.	Rooney
Cooley	Keogh	Scherer
Coudert	Kersten, Wis.	Selden
Cunningham	Kilday	Shelley
Curtis, Mass.	Kirwan	Shuford
Deane	Klein	Sikes
Delaney	Kluczynski	Smith, Miss.
Dingell	Landrum	Smith, Va.
Dollinger	Lanham	Spence
Donovan	Lesinski	Steed
Dorn, N. Y.	Long	Sullivan
Dowdy	Lucas	Teague
Durham	McCarthy	Thomas
Edmondson	McConnell	Thornberry
Elliott	McCulloch	Tuck
Fallon	McGregor	Watts
Feighan	McMillan	Whitten
Fine	Mack, Ill.	Wickersham
Fino	Madden	Wier
Fisher	Magnuson	Williams, Miss.
Forand	Mahon	Wilson, Ind.
Forrester	Matthews	Wilson, Tex.
Fountain	Merrill	Winstead
Friedel	Metcalf	Yates
Garmatz	Miller, Nebr.	Zablocki

NOT VOTING—64

Baker	Gwinn	Reece, Tenn.
Barden	Halleck	Regan
Belcher	Hill	Rivers
Bentley	Hillings	Roosevelt
Bentsen	Hruska	St. George
Boggs	Jackson	Scrivner
Boykin	Kilburn	Secrest
Busbey	Lantaff	Sheehan
Chatham	Latham	Staggers
Clardy	LeCompte	Sutton
Colmer	Lyle	Thompson, Mich.
Condon	McCormack	Thompson, Tex.
Cotton	Machrowicz	Utt
Crosser	Mason	Vinson
Curtis, Nebr.	Nelson	Vursell
Dawson, Ill.	Norblad	Weichel
Dies	O'Brien, Mich.	Wheeler
Dorn, S. C.	Patten	Willis
Eberharter	Patterson	Withrow
Evins	Powell	Wolcott
Golden	Preston	
Gubser	Rains	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. LeCompte with Mr. Boykin.
Mr. Busbey with Mr. Rivers.
Mr. Wolcott with Mr. Evins.
Mr. Weichel with Mr. Preston.
Mr. Hillings with Mr. Vinson.
Mr. Baker with Mr. Lantaff.
Mr. Reece of Tennessee with Mr. Bentsen.
Mr. Kilburn with Mr. Boggs.
Mr. Utt with Mr. Lyle.
Mr. Sheehan with Mr. Eberharter.
Mr. Belcher with Mr. Roosevelt.
Mr. Vursell with Mr. Thompson of Texas.
Mr. Latham with Mr. Wheeler.
Mr. Jackson with Mr. Willis.
Mr. Clardy with Mr. Machrowicz.
Mrs. St. George with Mr. Dies.
Mr. Patterson with Mr. Patten.
Mr. Scrivner with Mr. Regan.
Mr. Hill with Mr. Rains.
Mr. Mason with Mr. Staggers.
Mr. Hruska with Mr. Dorn of South Carolina.
Mr. Withrow with Mr. Colmer.
Mr. Bentley with Mr. Chatham.
Mr. Curtis of Nebraska with Mr. Dawson of Illinois.
Mr. Cotton with Mr. Crosser.
Mr. Nelson with Mr. Powell.
Mr. Golden with Mr. O'Brien of Michigan.
Mr. Norblad with Mr. Sutton.
Mr. Dawson of Utah with Mr. Barden.
Mr. Gubser with Mr. Secrest.
Mr. Gwinn with Mr. Condon.

Mr. ADDONIZIO changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 439, 83d Congress, the Chair appoints, as members of the Special Committee To Investigate Campaign Expenditures, the following Members of the House: Mr. BISHOP, Mr. KEATING, Mr. BAKER, Mr. BOGGS, and Mr. KARSTEN of Missouri.

ATOMIC ENERGY ACT OF 1954

Mr. COLE of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. Rept. No. 2639)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, 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 the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"'ATOMIC ENERGY ACT OF 1954

"'Chapter 1. Declaration, findings, and purpose

"'Sec. 1. Declaration.
"'Sec. 2. Findings.
"'Sec. 3. Purpose.

"'Chapter 2. Definitions

"'Sec. 11. Definitions.

"'Chapter 3. Organization

"'Sec. 21. Atomic Energy Commission.
"'Sec. 22. Members.
"'Sec. 23. Office.
"'Sec. 24. General Manager.
"'Sec. 25. Divisions and Offices.
"'Sec. 26. General Advisory Committee.
"'Sec. 27. Military Liaison Committee.
"'Sec. 28. Appointment of Army, Navy, or Air Force Officers.

"'Chapter 4. Research

"'Sec. 31. Research Assistance.
"'Sec. 32. Research by the Commission.
"'Sec. 33. Research for Others.

"'Chapter 5. Production of Special Nuclear Material

"'Sec. 41. Ownership and Operation of Production Facilities.
"'Sec. 42. Irradiation of Materials.
"'Sec. 43. Acquisition of Production Facilities.
"'Sec. 44. Disposition of Energy.

"'Chapter 6. Special nuclear material

"'Sec. 51. Special Nuclear Material.
"'Sec. 52. Government Owership of All Special Nuclear Material.
"'Sec. 53. Domestic Distribution of Special Nuclear Material.
"'Sec. 54. Foreign Distribution of Special Nuclear Material.
"'Sec. 55. Acquisition.
"'Sec. 56. Fair Price.
"'Sec. 57. Prohibition.

"'Chapter 7. Source material

"'Sec. 61. Source Material.
"'Sec. 62. License for Transfers Required.
"'Sec. 63. Domestic Distribution of Source Material.
"'Sec. 64. Foreign Distribution of Source Material.
"'Sec. 65. Reporting.
"'Sec. 66. Acquisition.
"'Sec. 67. Operations on Lands Belonging to the United States.
"'Sec. 68. Public Lands.
"'Sec. 69. Prohibition.

"'Chapter 8. Byproduct material

"'Sec. 81. Domestic Distribution.

" 'Sec. 82. Foreign Distribution of Byproduct Material.

" 'Chapter 9. Military application of atomic energy

" 'Sec. 91. Authority.
" 'Sec. 92. Prohibition.

" 'Chapter 10. Atomic energy licenses

" 'Sec. 101. License required.
" 'Sec. 102. Finding of Practical Value.
" 'Sec. 103. Commercial Licenses.
" 'Sec. 104. Medical Therapy and Research and Development.
" 'Sec. 105. Antitrust Provisions.
" 'Sec. 106. Classes of Facilities.
" 'Sec. 107. Operators' Licenses.
" 'Sec. 108. War or National Emergency.
" 'Sec. 109. Component Parts of Facilities.
" 'Sec. 110. Exclusions.

" 'Chapter 11. International activities

" 'Sec. 121. Effect of International Arrangements.
" 'Sec. 122. Policies Contained in International Arrangements.
" 'Sec. 123. Cooperation with other Nations.
" 'Sec. 124. International Atomic Pool.

" 'Chapter 12. Control of information

" 'Sec. 141. Policy.
" 'Sec. 142. Classification and Declassification of Restricted Data.
" 'Sec. 143. Department of Defense Participation.
" 'Sec. 144. International Cooperation.
" 'Sec. 145. Restrictions.
" 'Sec. 146. General Provisions.

" 'Chapter 13. Patents and inventions

" 'Sec. 151. Military Utilization.
" 'Sec. 152. Inventions Conceived During Commission Contracts.
" 'Sec. 153. Prior Art.
" 'Sec. 154. Commission Patent Licenses.
" 'Sec. 155. Compensation, Awards, and Royalties.
" 'Sec. 156. Monopolistic Use of Patents.
" 'Sec. 157. Federally Financed Research.
" 'Sec. 158. Saving Clause.

" 'Chapter 14. General authority

" 'Sec. 161. General Provisions.
" 'Sec. 162. Contracts.
" 'Sec. 163. Advisory Committees.
" 'Sec. 164. Electric Utility Contracts.
" 'Sec. 165. Contract Practices.
" 'Sec. 166. Comptroller General Audit.
" 'Sec. 167. Claim Settlements.
" 'Sec. 168. Payments in lieu of Taxes.
" 'Sec. 169. No Subsidy.

" 'Chapter 15. Compensation for private property acquired

" 'Sec. 171. Just Compensation.
" 'Sec. 172. Condemnation of Real Property.
" 'Sec. 173. Patent Application Disclosures.
" 'Sec. 174. Attorney General Approval of Title.

" 'Chapter 16. Judicial review and administrative procedure

" 'Sec. 181. General.
" 'Sec. 182. License Applications.
" 'Sec. 183. Terms of Licenses.
" 'Sec. 184. Inalienability of Licenses.
" 'Sec. 185. Construction Permits.
" 'Sec. 186. Revocation.
" 'Sec. 187. Modification of License.
" 'Sec. 188. Continued Operation of Facilities.
" 'Sec. 189. Hearings and Judicial Review.

" 'Chapter 17. Joint Committee on Atomic Energy

" 'Sec. 201. Membership.
" 'Sec. 202. Authority and Duty.
" 'Sec. 203. Chairman.
" 'Sec. 204. Powers.
" 'Sec. 205. Staff and Assistance.
" 'Sec. 206. Classification of Information.
" 'Sec. 207. Records.

" 'Chapter 18. Enforcement

" 'Sec. 221. General Provisions.
" 'Sec. 222. Violation of Specific Sections.
" 'Sec. 223. Violation of Sections Generally.
" 'Sec. 224. Communication of Restricted Data.
" 'Sec. 225. Receipt of Restricted Data.
" 'Sec. 226. Tampering with Restricted Data.
" 'Sec. 227. Disclosure of Restricted Data.
" 'Sec. 228. Statute of Limitations.
" 'Sec. 229. Other Laws.
" 'Sec. 230. Injunction Proceedings.
" 'Sec. 231. Contempt Proceedings.

" 'Chapter 19. Miscellaneous

" 'Sec. 241. Transfer of Property.
" 'Sec. 251. Report to Congress.
" 'Sec. 261. Appropriations.
" 'Sec. 271. Agency Jurisdiction.
" 'Sec. 272. Applicability of Federal Power Act.
" 'Sec. 273. Licensing of Government Agencies.
" 'Sec. 281. Separability.
" 'Sec. 291. Short Title.

" 'CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

" 'SECTION 1. DECLARATION.—Atomic energy is capable of application for peaceful as well as military purposes. It is therefore declared to be the policy of the United States that—

" 'a. the development, use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security; and

" 'b. the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise.

" 'SEC. 2. FINDINGS.—The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

" 'a. The development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

" 'b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

" 'c. The processing and utilization of source, byproduct, and special nuclear material affect interstate and foreign commerce and must be regulated in the national interest.

" 'd. The processing and utilization of source, byproduct, and special nuclear material must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

" 'e. Source and special nuclear material, production facilities, and utilization facilities are affected with the public interest, and regulation by the United States of the production and utilization of atomic energy and of the facilities used in connection therewith is necessary in the national interest to assure the common defense and security and to protect the health and safety of the public.

" 'f. The necessity for protection against possible interstate damage occurring from the operation of facilities for the production or utilization of source or special nuclear material places the operation of those facilities in interstate commerce for the purposes of this act.

" 'g. Funds of the United States may be provided for the development and use of atomic energy under conditions which will provide for the common defense and security and promote the general welfare.

" 'h. It is essential to the common defense and security that title to all special nuclear material be in the United States while such special nuclear material is within the United States.

" 'SEC. 3. PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

" 'a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

" 'b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

" 'c. a program for Government control of the possession, use, and production of atomic energy and special nuclear material so directed as to make the maximum contribution to the common defense and security and the national welfare;

" 'd. a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public;

" 'e. a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

" 'f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

" 'CHAPTER 2. DEFINITIONS

" 'SEC. 11. DEFINITIONS.—The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions. As used in this Act:

" 'a. The term "agency of the United States" means the executive branch of the United States, or any Government agency, or the legislative branch of the United States, or any agency, committee, commission, office, or other establishment in the legislative branch, or the judicial branch of the United States, or any office, agency, committee, commission, or other establishment in the judicial branch.

" 'b. The term "agreement for cooperation" means any agreement with another nation or regional defense organization, authorized or permitted by sections 54, 57, 64, 82, 103, 104, or 144, and made pursuant to section 123.

" 'c. The term "atomic energy" means all forms of energy released in the course of nuclear fission or nuclear transformation.

" 'd. The term "atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

" 'e. The term "byproduct material" means any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material.

" 'f. The term "Commission" means the Atomic Energy Commission.

" 'g. The term "common defense and security" means the common defense and security of the United States.

"'h. The term "defense information" means any information in any category determined by any Government agency authorized to classify information, as being information respecting, relating to, or affecting the national defense.

"'i. The term "design" means (1) specifications, plans, drawings, blueprints, and other items of like nature; (2) the information contained therein; or (3) the research and development data pertinent to the information contained therein.

"'j. The term "Government agency" means any executive department, commission, independent establishment, corporation, wholly or partly owned by the United States of America which is an instrumentality of the United States, or any board, bureau, division, service, office, officer, authority, administration, or other establishment in the executive branch of the Government.

"'k. The term "international arrangement" means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

"'l. The term "Joint Committee" means the Joint Committee on Atomic Energy.

"'m. The term "operator" means any individual who manipulates the controls of a utilization or production facility.

"'n. The term "person" means (1) any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, Government agency other than the Commission, any State or any political subdivision of, or any political entity within a State, any foreign government or nation or any political subdivision of any such government or nation, or other entity; and (2) any legal successor, representative, agent, or agency of the foregoing.

"'o. The term "produce", when used in relation to special nuclear material, means (1) to manufacture, make, produce, or refine special nuclear material; (2) to separate special nuclear material from other substances in which such material may be contained; or (3) to make or to produce new special nuclear material.

"'p. The term "production facility" means (1) any equipment or device determined by rule of the Commission to be capable of the production of special nuclear material in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public; or (2) any important component part especially designed for such equipment or device as determined by the Commission.

"'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.

"'r. The term "Restricted Data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to section 142.

"'s. The term "source material" means (1) uranium, thorium, or any other material which is determined by the Commission pursuant to the provisions of section 61 to be source material; or (2) ores containing one or more of the foregoing materials, in such concentration as the Commission may by regulation determine from time to time.

"'t. The term "special nuclear material" means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provisions of section 51, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.

"'u. The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, and the Canal Zone.

"'v. The term "utilization facility" means (1) any equipment or device, except an atomic weapon, determined by rule of the Commission to be capable of making use of special nuclear material in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public, or peculiarly adapted for making use of atomic energy in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public; or (2) any important component part especially designed for such equipment or device as determined by the Commission.

"'CHAPTER 3. ORGANIZATION

"'SEC. 21. ATOMIC ENERGY COMMISSION.—There is hereby established an Atomic Energy Commission, which shall be composed of five members, each of whom shall be a citizen of the United States. The President shall designate one member of the Commission as Chairman thereof to serve as such during the pleasure of the President. The Chairman may from time to time designate any other member of the Commission as Acting Chairman to act in the place and stead of the Chairman during his absence. The Chairman (or the Acting Chairman in the absence of the Chairman) shall preside at all meetings of the Commission and a quorum for the transaction of business shall consist of at least three members present. Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or 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. The Commission shall have on official seal which shall be judicially noticed.

"'SEC. 22. MEMBERS.—

"'Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate. In submitting any nomination to the Senate, the President shall set forth the experience and qualifications of the nominee. The term of office of each member of the Commission taking office after June 30, 1950, shall be five years, except that (1) the terms of office of the members first taking office after June 30, 1950, shall expire, as designated by the President at the time of the appointment, one at the end of one year, one at the end of two years, one at the end of three years, one at the end of four years, and one at the end of five years, after June 30, 1950; and (2) 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. Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Each member, except the Chairman, shall receive compensation at the rate of $18,000 per annum; and the member designated as Chairman shall receive compensation at the rate of $20,000 per annum.

"'No member of the Commission shall engage in any business, vocation, or employment other than that of serving as a member of the Commission.

"'SEC. 23. OFFICE.—The principal office of the Commission shall be in or near the District of Columbia, but the Commission or any duly authorized representative may exercise any or all of its powers in any place; however, the Commission shall maintain an office for the service of process and papers within the District of Columbia.

"'SEC. 24. GENERAL MANAGER.—There is hereby established within the Commission a General Manager, who shall discharge such of the administrative and executive functions of the Commission as the Commission may direct. The General Manager shall be appointed by the Commission, shall serve at the pleasure of the Commission, shall be removable by the Commission, and shall receive compensation at a rate determined by the Commission, but not in excess of $20,000 per annum.

"'SEC. 25. DIVISIONS AND OFFICES.—There is hereby established within the Commission—

"'a. a Division of Military Application and such other program divisions (not to exceed ten in number) as the Commission may determine to be necessary to the discharge of its responsibilities, including a division or divisions the primary responsibilities of which include the development and application of civilian uses of atomic energy. Each such division shall be under the direction of a Director who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum. The Director of the Division of Military Application shall be an active member of the Armed Forces. The Commission shall require each such division to exercise such of the Commission's administrative and executive powers as the Commission may determine;

"'b. an Office of the General Counsel under the direction of the General Counsel who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum; and

"'c. an Inspection Division under the direction of a Director who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum. The Inspection Division shall be responsible for gathering information to show whether or not the contractors, licensees, and officers and employees of the Commission are complying with the provisions of this Act (except those provisions for which the Federal Bureau of Investigation is responsible) and the appropriate rules and regulations of the Commission.

"'SEC. 26. GENERAL ADVISORY COMMITTEE.—There shall be a General Advisory Committee to advise the Commission on scientific and technical matters relating to materials, production, and research and development, to be composed of nine members, who shall be appointed from civilian life by the President. Each member shall hold office for a term of six 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 members first taking office after August 1, 1946, shall expire, as designated by the President at the time of appointment, three at the end of two years, three at the end of four years, and three at the end of six years, after August 1, 1946. The Committee shall designate one of its own members as Chairman. The Committee shall meet at least four times in every

calendar year. The members of the Committee shall receive a per diem compensation for each day spent in meetings or conferences, and all members shall receive their necessary traveling or other expenses while engaged in the work of the Committee.

" 'SEC. 27. MILITARY LIAISON COMMITTEE.—There is hereby established a Military 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, who shall serve at the pleasure of the President, and who shall receive compensation at the rate prescribed for an Assistant Secretary of Defense; and

" 'b. a representative or representatives from each of the Departments of the Army, Navy, and Air Force, in equal numbers, as determined by the Secretary of Defense, to be assigned from each Department by the Secretary thereof, and who will serve without additional compensation.

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 the Department of Defense, through the Committee, on all atomic energy matters which the Department of Defense deems to relate to military applications of atomic weapons or atomic energy including the development, manufacture, use, and storage of atomic weapons, the allocation of special nuclear material for military research, and the control of information relating to the manufacture or utilization of atomic weapons; and shall keep the Department of Defense, through the Committee, fully and currently informed of all such matters before the Commission. The Department of Defense, through the Committee, shall keep the Commission fully and currently informed on all matters within the Department of Defense which the Commission deems to relate to the development or application of atomic energy. The Department of Defense, through the Committee, shall have the authority to make written recommendations to the Commission from time to time on matters relating to military applications of atomic energy as the Department of Defense may deem appropriate. If the Department of Defense at any time concludes that any request, action, proposed action, or failure to act on the part of the Commission is adverse to the responsibilities of the Department of Defense, the Secretary of Defense shall refer the matter to the President whose decision shall be final.

" 'SEC. 28. APPOINTMENT OF ARMY, NAVY, OR AIR FORCE OFFICERS.—Notwithstanding the provisions of any other law, any active officer of the Army, Navy, or Air Force may serve as Director of the Division of Military Application without prejudice to his commissioned status as such officer. Any such officer serving as Director of the Division of Military Application shall receive in addition to his pay and allowances, including special and incentive pays, an amount equal to the difference between such pay and allowances, including special and incentive pays, and the compensation prescribed in section 25. Notwithstanding the provisions of any other law, any active or retired officer of the Army, Navy, or Air Force may serve as Chairman of the Military Liaison Committee without prejudice to his active or retired status as such officer. Any such officer serving as Chairman of the Military Liaison Committee shall receive, in addition to his pay and allowances, including special and incentive pays, or in addition to his retired pay, an amount equal to the difference between such pay and allowances, including special and incentive pays, or between his retired pay, and the compensation prescribed for the Chairman of the Military Liaison Committee.

" 'CHAPTER 4. RESEARCH

" 'SEC. 31. RESEARCH ASSISTANCE.—

" '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) utilization of special nuclear material, atomic energy, and radioactive material and processes entailed in the utilization or production of atomic energy or such material for all other purposes, including industrial uses, the generation of usable energy, and the demonstration of the practical value of utilization or production facilities for industrial or commercial purposes; and

" '(5) the protection of health and the promotion of safety during research and production activities.

" 'b. The Commission may (1) make arrangements pursuant to this section, without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable; (2) make partial and advance payments under such arrangements; and (3) make available for use in connection therewith such of its equipment and facilities as it may deem desirable.

" 'c. The arrangements made pursuant to this section shall contain such provisions (1) to protect health, (2) to minimize danger to life or property, and (3) to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine. No such arrangement shall contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law.

" 'SEC. 32. RESEARCH BY THE COMMISSION.—The Commission is authorized and directed to conduct through its own facilities, activities and studies of the types specified in section 31.

" 'SEC. 33. RESEARCH FOR OTHERS.—Where the Commission finds private facilities or laboratories are inadequate to the purpose, it is authorized to conduct for other persons, through its own facilities, such of those activities and studies of the types specified in section 31 as it deems appropriate to the development of atomic energy. The Commission is authorized to determine and make such charges as in its discretion may be desirable for the conduct of such activities and studies.

" 'CHAPTER 5. PRODUCTION OF SPECIAL NUCLEAR MATERIAL

" 'SEC. 41. OWNERSHIP AND OPERATION OF PRODUCTION FACILITIES.—

" 'a. OWNERSHIP OF PRODUCTION FACILITIES.—The Commission, as agent of and on behalf of the United States, shall be the exclusive owner of all production facilities other than facilities which (1) are useful in the conduct of research and development activities in the fields specified in section 31 and do not, in the opinion of the Commission, have a potential production rate adequate to enable the user of such facilities to produce within a reasonable period of time a sufficient quantity of special nuclear material to produce an atomic weapon; or (2) are licensed by the Commission pursuant to section 103 or 104.

" 'b. OPERATION OF THE COMMISSION'S PRODUCTION FACILITIES.—The Commission is authorized and directed to produce or to provide for the production of special nuclear material in its own production facilities. To the extent deemed necessary, the Commission is authorized to make, or to continue in effect, contracts with persons obligating them to produce special nuclear material in facilities owned by the Commission. The Commission is also authorized to enter into research and development contracts authorizing the contractor to produce special nuclear material in facilities owned by the Commission to the extent that the production of such special nuclear material may be incident to the conduct of research and development activities under such contracts. Any contract entered into under this section shall contain provisions (1) prohibiting the contractor from subcontracting any part of the work he is obligated to perform under the contract, except as authorized by the Commission; and (2) obligating the contractor (A) to make such reports pertaining to activities under the contract to the Commission as the Commission may require, (B) to submit to inspection by employees of the Commission of all such activities, and (C) to comply with all safety and security regulations which may be prescribed by the Commission. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under such contracts. The President shall determine in writing at least once each year the quantities of special nuclear material to be produced under this section and shall specify in such determination the quantities of special nuclear material to be available for distribution by the Commission pursuant to section 53 or 54.

" 'c. OPERATION OF OTHER PRODUCTION FACILITIES.—Special nuclear material may be produced in the facilities which under this section are not required to be owned by the Commission.

" 'SEC. 42. IRRADIATION OF MATERIALS.—The Commission and persons lawfully producing or utilizing special nuclear material are authorized to expose materials of any kind to the radiation incident to the processes of producing or utilizing special nuclear material.

" 'SEC. 43. ACQUISITION OF PRODUCTION FACILITIES.—The Commission is authorized to purchase any interest in facilities for the production of special nuclear materials, or in real property on which such facilities are located, without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes. The Commission is further authorized to requisition, condemn, or otherwise acquire any interest in such production facilities, or to condemn or otherwise acquire such real property, and just compensation shall be made therefor.

" 'SEC. 44. DISPOSITION OF ENERGY.—If energy is produced at production facilities of the Commission or is produced in experimental utilization facilities of the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly, cooperatively, or

privately owned utilities or users at reasonable and nondiscriminatory prices. If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency having jurisdiction. In contracting for the disposal of such energy, the Commission shall insofar as practicable give preference and priority to public bodies and cooperatives or to privately owned utilities providing electric utility services to high cost areas not being served by public bodies or cooperatives. Nothing in this Act shall be construed to authorize the Commission to engage in the sale or distribution of energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities of the Commission, or of production facilities of the Commission.

"'CHAPTER 6. SPECIAL NUCLEAR MATERIAL

"'SEC. 51. SPECIAL NUCLEAR MATERIAL.—The Commission may determine from time to time that other material is special nuclear material in addition to that specified in the definition as special nuclear material. Before making any such determination, the Commission must find that such material is capable of releasing substantial quantities of atomic energy and must find that the determination that such material is special nuclear material is in the interest of the common defense and security, and the President must have expressly assented in writing to the determination. The Commission's determination, together with the assent of the President, shall be submitted to the Joint Committee and a period of thirty day shall elapse while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment for more than three days) before the determination of the Commission may become effective: *Provided, however,* That the Joint Committee, after having received such determination, may by resolution in writing, waive the conditions of or all or any portion of such thirty-day period.

"'SEC. 52. GOVERNMENT OWNERSHIP OF ALL SPECIAL NUCLEAR MATERIAL.—All rights, title, and interest in or to any special nuclear material within or under the jurisdiction of the United States, now or hereafter produced, shall be the property of the United States and shall be administered and controlled by the Commission as agent of and on behalf of the United States by virtue of this Act. Any person owning any interest in any special nuclear material at the time when such material is hereafter determined to be a special nuclear material shall be paid just compensation therefor. Any person who lawfully produces any special nuclear material, except pursuant to a contract with the Commission under the provisions of section 31 or 41, shall be paid a fair price, determined pursuant to section 56, for producing such material.

"'SEC. 53. DOMESTIC DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.—

"'a. The Commission is authorized to issue licenses for the possession of, to make available for the period of the license, and to distribute special nuclear material within the United States to qualified applicants requesting such material—

"'(1) for the conduct of research and development activities of the types specified in section 31;

"'(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104; or

"'(3) for use under a license issued pursuant to section 103.

"'b. The Commission shall establish, by rules, minimum criteria for the issuance of specific or general licenses for the distribution of special nuclear material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"'(1) the physical characteristics of the special nuclear material to be distributed;

"'(2) the quantities of special nuclear material to be distributed; and

"'(3) the intended use of the special nuclear material to be distributed.

"'c. The Commission may make a reasonable charge, determined pursuant to this section, for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2) and shall make a reasonable charge determined pursuant to this section for the use of special nuclear material licensed and distributed under subsection 53 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the special nuclear material will be used.

"'d. In determining the reasonable charge to be made by the Commission for the use of special nuclear material distributed to licensees of utilization or production facilities licensed pursuant to section 103 or 104, in addition to consideration of the cost thereof, the Commission shall take into consideration—

"'(1) the use to be made of the special nuclear material;

"'(2) the extent to which the use of the special nuclear material will advance the development of the peaceful uses of atomic energy;

"'(3) the energy value of the special nuclear material in the particular use for which the license is issued;

"'(4) whether the special nuclear material is to be used in facilities licensed pursuant to section 103 or 104. In this respect, the Commission shall, insofar as practicable, make uniform, nondiscriminatory charges for the use of special nuclear material distributed to facilities licensed pursuant to section 103; and

"'(5) with respect to special nuclear material consumed in a facility licensed pursuant to section 103, the Commission shall make a further charge based on the cost to the Commission, as estimated by the Commission, or the average fair price paid for the production of such special nuclear material as determined by section 56, whichever is lower.

"'e. Each license issued pursuant to this section shall contain and be subject to the following conditions—

"'(1) title to all special nuclear material shall at all times be in the United States;

"'(2) no right to the special nuclear material shall be conferred by the license except as defined by the license;

"'(3) neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this Act;

"'(4) all special nuclear material shall be subject to the right of recapture or control reserved by section 108 and to all other provisions of this Act;

"'(5) no special nuclear material may be used in any utilization or production facility except in accordance with the provisions of this Act;

"'(6) special nuclear material shall be distributed only on terms, as may be established by rule of the Commission, such that no user will be permitted to construct an atomic weapon;

"'(7) special nuclear material shall be distributed only pursuant to such safety standards as may be established by rule of the Commission to protect health and to minimize danger to life or property; and

"'(8) the licensee will hold the United States and the Commission harmless from any damages resulting from the use or possession of special nuclear material by the licensee.

"'f. The Commission is directed to distribute within the United States sufficient special nuclear material to permit the conduct of widespread independent research and development activities to the maximum extent practicable and within the limitations set by the President pursuant to section 41. In the event that applications for special nuclear material exceed the amount available for distribution, preference shall be given to those activities which are most likely, in the opinion of the Commission, to contribute to basic research, to the development of peacetime uses of atomic energy, or to the economic and military strength of the Nation.

"'SEC. 54. FOREIGN DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.—The Commission is authorized to cooperate with any nation by distributing special nuclear material and to distribute such special nuclear material, pursuant to the terms of an agreement for cooperation to which such nation is a party and which is made in accordance with section 123.

"'SEC. 55. ACQUISITION.—The Commission is authorized to purchase or otherwise acquire any special nuclear material or any interest therein outside the United States without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.

"'SEC. 56. FAIR PRICE.—In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the Commission shall take into consideration the value of the special nuclear material for its intended use by the United States and may give such weight to the actual cost of producing that material as the Commission finds to be equitable. The fair price, as may be determined by the Commission, shall apply to all licensed producers of the same material: *Provided, however,* That the Commission may establish guaranteed fair prices for all special nuclear material delivered to the Commission for such period of time as it may deem necessary but not to exceed seven years.

"'SEC. 57. PROHIBITION.—

"'a. It shall be unlawful for any person to—

"'(1) possess or transfer any special nuclear material which is the property of the United States except as authorized by the Commission pursuant to subsection 53 a.;

"'(2) transfer or receive any special nuclear material in interstate commerce except as authorized by the Commission pursuant to subsection 53 a., or export from or import into the United States any special nuclear material; and

"'(3) directly or indirectly engage in the production of any special nuclear material outside of the United States except (A) under an agreement for cooperation made pursuant to section 123, or (B) upon authorization by the Commission after a determination that such activity will not be inimical to the interest of the United States.

"'b. The Commission shall not distribute any special nuclear material—

"'(1) to any person for a use which is not under the jurisdiction of the United States except pursuant to the provisions of section 54; or

"'(2) to any person within the United States, if the Commission finds that the distribution of such special nuclear material

to such person would be inimical to the common defense and security.

"'CHAPTER 7. SOURCE MATERIAL

"'SEC. 61. SOURCE MATERIAL.—The Commission may determine from time to time that other material is source material in addition to those specified in the definition of source material. Before making such determination, the Commission must find that such material is essential to the production of special nuclear material and must find that the determination that such material is source material is in the interest of the common defense and security, and the President must have expressly assented in writing to the determination. The Commission's determination, together with the assent of the President, shall be submitted to the Joint Committee and a period of thirty days shall elapse while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days) before the determination of the Commission may become effective: *Provided, however,* That the Joint Committee, after having received such determination, may by resolution in writing waive the conditions of or all or any portion of such thirty-day period.

"'SEC. 62. LICENSE FOR TRANSFERS REQUIRED.—Unless authorized by a general or specific license issued by the Commission, which the Commission is hereby authorized to issue, no person may transfer or receive in interstate commerce, transfer, deliver, receive possession of or title to, or import into or export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source material which, in the opinion of the Commission, are unimportant.

"'SEC. 63. DOMESTIC DISTRIBUTION OF SOURCE MATERIAL.—

"'a. The Commission is authorized to issue licenses for and to distribute source material within the United States to qualified applicants requesting such material—

"'(1) for the conduct of research and development activities of the types specified in section 31;

"'(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104;

"'(3) for use under a license issued pursuant to section 103; or

"'(4) for any other use approved by the Commission as an aid to science or industry.

"'b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of source material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"'(1) the physical characteristics of the source material to be distributed;

"'(2) the quantities of source material to be distributed; and

"'(3) the intended use of the source material to be distributed.

"'c. The Commission may make a reasonable charge determined pursuant to subsection 161 m. for the source material licensed and distributed under subsection 63 a. (1), subsection 63 a. (2), or subsection 63 a. (4), and shall make a reasonable charge determined pursuant to subsection 161 m., for the source material licensed and distributed under subsection 63 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the source material licensed and distributed under subsection 63 a. (1), subsection 63 a. (2), or subsection 63 a. (4), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the source material will be used.

"'SEC. 64. FOREIGN DISTRIBUTION OF SOURCE MATERIAL.—The Commission is authorized to cooperate with any nation by distributing source material and to distribute source material pursuant to the terms of an agreement for cooperation to which such nation is a party and which is made in accordance with section 123. The Commission is also authorized to distribute source material outside of the United States upon a determination by the Commission that such activity will not be inimical to the interests of the United States.

"'SEC. 65. REPORTING.—The Commission is authorized to issue such rules, regulations, or orders requiring reports of ownership, possession, extraction, refining, shipment, or other handling of source material as it may deem necessary, except that such reports shall not be required with respect to (a) any source material prior to removal from its place of deposit in nature, or (b) quantities of source material which in the opinion of the Commission are unimportant or the reporting of which will discourage independent prospecting for new deposits.

"'SEC. 66. ACQUISITION.—The Commission is authorized and directed, to the extent it deems necessary to effectuate the provisions of this Act—

"'a. to purchase, take, requisition, condemn, or otherwise acquire supplies of source material;

"'b. to purchase, condemn, or otherwise acquire any interest in real property containing deposits of source material; and

"'c. to purchase, condemn, or otherwise acquire rights to enter upon any real property deemed by the Commission to have possibilities of containing deposits of source material in order to conduct prospecting and exploratory operations for such deposits.

Any purchase made under this section may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advanced payments may be made under contracts for such purposes. The Commission may establish guaranteed prices for all source material delivered to it within a specified time. Just compensation shall be made for any right, property, or interest in property taken, requisitioned, condemned, or otherwise acquired under this section.

"'SEC. 67. 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 of, or removal of deposits of source material in lands belonging to the United States: *Provided, however,* That notwithstanding any other provisions of law, such leases or permits may be issued for lands administered for national park, monument, and wildlife purposes only when the President by Executive Order declares that the requirements of the common defense and security make such action necessary.

"'SEC. 68. PUBLIC LANDS.—

"'a. No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic energy program, 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 energy program, 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.

"'b. 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 Government 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. If any rights have been granted by the United States pursuant to any such reservation then such patent shall be made subject to those rights, but the patentee shall be subrogated to the rights of the United States.

"'c. Notwithstanding the provisions of the Atomic Energy Act of 1946, as amended, and particularly section 5 (b) (7) thereof, 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 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 source material.

"'SEC. 69. PROHIBITION.—The Commission shall not license any person to transfer or deliver, receive, possession of or title to, or import into or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security or the health and safety of the public.

"'CHAPTER 8. BYPRODUCT MATERIAL

"'SEC. 81. DOMESTIC DISTRIBUTION.—No person may transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, own, possess, import, or export any byproduct material, except to the extent authorized by this section or by section 82. The Commission is authorized to issue general or specific licenses to applicants seeking to use byproduct material for research or development purposes, for medical therapy, industrial uses, agricultural uses, or such other useful applications as may be developed. The Commission may distribute, sell, loan, or lease such byproduct material as it owns to licensees with or without charge: *Provided, however,* That, for byproduct material to be distributed by the Commission for a charge, the Commission shall establish prices on such equitable basis as, in the opinion of the Commission, (a) will provide reasonable compensation to the Government for such material, (b) will not discourage the use of such material or the development of sources of supply of such material independent of the Commission, and (c) will encourage research and development. In distributing such material, the Commission shall give preference to applicants proposing to use such material either in the conduct of research and development or in medical therapy. Licensees of the Commission may distribute byproduct material only to applicants therefor who are licensed by the Commission to receive such byproduct material. The Commission shall not permit the distribution of any byproduct material to any licensee, and shall recall or order the recall of any distributed material from any li-

censee, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor or approved by the Commission. The Commission is authorized to establish classes of byproduct material and to exempt certain classes or quantities of material or kinds of uses or users from the requirements for a license set forth in this section when it makes a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.

" 'SEC. 82. FOREIGN DISTRIBUTION OF BYPRODUCT MATERIAL.—

" 'a. The Commission is authorized to cooperate with any nation by distributing byproduct material, and to distribute byproduct material, pursuant to the terms of an agreement for cooperation to which such nation is party and which is made in accordance with section 123.

" 'b. The Commission is also authorized to distribute byproduct material to any person outside the United States upon application therefor by such person and demand such charge for such material as would be charged for the material if it were distributed within the United States: *Provided, however,* That the Commission shall not distribute any such material to any person under this section if, in its opinion, such distribution would be inimical to the common defense and security: *And provided further,* That the Commission may require such reports regarding the use of material distributed pursuant to the provisions of this section as it deems necessary.

" 'c. The Commission is authorized to license others to distribute byproduct material to any person outside the United States under the same conditions, except as to charges, as would be applicable if the material were distributed by the Commission.

" 'CHAPTER 9. MILITARY APPLICATION OF ATOMIC ENERGY

" 'SEC. 91. AUTHORITY.—

" 'a. The Commission is authorized to—

" '(1) conduct experiments and do research and development work in the military application of atomic energy; and

" '(2) engage in the production of atomic weapons, or atomic weapon parts, except that such activities shall be carried on only to the extent that the express consent and direction of the President of the United States has been obtained, which consent and direction shall be obtained at least once each year.

" 'b. The President from time to time may direct the Commission (1) to deliver such quantities of special nuclear material or atomic weapons to the Department of Defense for such use as he deems necessary in the interest of national defense, or (2) to authorize the Department of Defense to manufacture, produce, or acquire any atomic weapon or utilization facility for military purposes: *Provided, however,* That such authorization shall not extend to the production of special nuclear material other than that incidental to the operation of such utilization facilities.

" 'SEC. 92. PROHIBITION.—It shall be unlawful for any person to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export any atomic weapon, except as may be authorized by the Commission pursuant to the provisions of section 91. Nothing in this section shall be deemed to modify the provisions of subsection 31 a. or section 101.

" 'CHAPTER 10. ATOMIC ENERGY LICENSES

" 'SEC. 101. LICENSE REQUIRED.—It shall be unlawful, except as provided in section 91, for any person within the United States to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export any utilization or production facility except under and in accordance with a license issued by the Commission pursuant to section 103 or 104.

" 'SEC. 102. FINDING OF PRACTICAL VALUE.—Whenever the Commission has made a finding in writing that any type of utilization or production facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

" 'SEC. 103. COMMERCIAL LICENSES.—

" 'a. Subsequent to a finding by the Commission as required in section 102, the Commission may issue licenses to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export under the terms of an agreement for cooperation arranged pursuant to section 123, such type of utilization or production facility. Such licenses shall be issued in accordance with the provisions of chapter 16 and subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes and provisions of this Act.

" 'b. The Commission shall issue such licenses on a nonexclusive basis to persons applying therefor (1) whose proposed activities will serve a useful purpose proportionate to the quantities of special nuclear material or source material to be utilized; (2) who are equipped to observe and who agree to observe such safety standards to protect health and to minimize danger to life or property as the Commission may by rule establish; and (3) who agree to make available to the Commission such technical information and data concerning activities under such licenses as the Commission may determine necessary to promote the common defense and security and to protect the health and safety of the public. All such information may be used by the Commission only for the purposes of the common defense and security and to protect the health and safety of the public.

" 'c. Each such license shall be issued for a specified period, as determined by the Commission, depending on the type of activity to be licensed, but not exceeding forty years, and may be renewed upon the expiration of such period.

" 'd. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123, or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

" 'SEC. 104. MEDICAL THERAPY AND RESEARCH AND DEVELOPMENT.—

" 'a. The Commission is authorized to issue licenses to persons applying therefor for utilization facilities for use in medical therapy. In issuing such licenses the Commission is directed to permit the widest amount of effective medical therapy possible with the amount of special nuclear material available for such purposes and to impose the minimum amount of regulation consistent with its obligations under this Act to promote the common defense and security and to protect the health and safety of the public.

" 'b. The Commission is authorized to issue licenses to persons applying therefor for utilization and production facilities involved in the conduct of research and development activities leading to the demonstration of the practical value of such facilities for industrial or commercial purposes. In issuing licenses under this subsection, the Commission shall impose the minimum amount of such regulations and terms of license as will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will be compatible with the regulations and terms of license which would apply in the event that a commercial license were later to be issued pursuant to section 103 for that type of facility. In issuing such licenses, priority shall be given to those activities which will, in the opinion of the Commission, lead to major advances in the application of atomic energy for industrial or commercial purposes.

" 'c. The Commission is authorized to issue licenses to persons applying therefor for utilization and production facilities useful in the conduct of research and development activities of the types specified in section 31 and which are not facilities of the type specified in subsection 104 b. The Commission is directed to impose only such minimum amount of regulation of the licensee as the Commission finds will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will permit the conduct of widespread and diverse research and development.

" 'd. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123 or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

" 'SEC. 105. ANTITRUST PROVISIONS.—

" 'a. Nothing contained in this Act, including the provisions which vest title to all special nuclear material in the United States, shall relieve any person from the operation of the following Acts, as amended, "An Act to protect trade and commerce against unlawful restraints and monopolies" approved July second, eighteen hundred and ninety; sections seventy-three to seventy-seven, inclusive, of an Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes" approved August twenty-seven, eighteen hundred and ninety-four; "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" approved October fifteen, nineteen hundred and fourteen; and "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes" approved September twenty-six, nineteen hundred and fourteen. In the event a licensee is found by a court of competent jurisdiction, either in an original action in that court or in a proceeding to enforce or review the findings or orders of any Government agency having jurisdiction under the laws cited above, to have violated any of the provisions of such laws in the conduct of the licensed activity, the Commission may suspend, revoke, or take such other action as it may deem necessary with respect to any license issued by the Commission under the provisions of this Act.

" 'b. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of special nuclear material or atomic energy which appears to violate or to tend toward the violation of any of the foregoing Acts, or to restrict free competition in private enterprise.

" 'c. Whenever the Commission proposes to issue any license to any person under section 103, it shall notify the Attorney General of the proposed license and the proposed terms and conditions thereof, except such classes or types of licenses, as the Commission, with the approval of the Attorney General, may determine would not significantly affect the licensee's activities under the antitrust laws as specified in subsection 105 a. Within a reasonable time, in no event to exceed 90 days after receiving such notification, the Attorney General shall advise the Commission whether, insofar as he can determine, the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws, and such advice shall be published in the Federal Register. Upon the request of the Attorney General, the Commission shall furnish or cause to be furnished such information as the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section.

" 'SEC. 106. CLASSES OF FACILITIES.—The Commission may—

" 'a. group the facilities licensed either under section 103 or under section 104 into classes which may include either production or utilization facilities or both, upon the basis of the similarity of operating and technical characteristics of the facilities;

" 'b. define the various activities to be carried on at each such class of facility; and

" 'c. designate the amounts of special nuclear material available for use by each such facility.

" 'SEC. 107. OPERATORS' LICENSES.—The Commission shall—

" 'a. prescribe uniform conditions for licensing individuals as operators of any of the various classes of production and utilization facilities licensed in this Act;

" 'b. determine the qualifications of such individuals;

" 'c. issue licenses to such individuals in such form as the Commission may prescribe; and

" 'd. suspend such licenses for violations of any provision of this Act or any rule or regulation issued thereunder whenever the Commission deems such action desirable.

" 'SEC. 108. WAR OR NATIONAL EMERGENCY.—Whenever the Congress declares that a state of war or national emergency exists, the Commission is authorized to suspend any licenses granted under this Act if in its judgment such action is necessary to the common defense and security. The Commission is authorized during such period, if the Commission finds it necessary to the common defense and security, to order the recapture of any special nuclear material distributed under the provisions of subsection 53 a., or to order the operation of any facility licensed under section 103 or 104, and is authorized to order the entry into any plant or facility in order to recapture such material, or to operate such facility. Just compensation shall be paid for any damages caused by the recapture of any special nuclear material or by the operation of any such facility.

" 'SEC. 109. COMPONENT PARTS OF FACILITIES.—With respect to those utilization and production facilities which are so determined by the Commission pursuant to subsection 11 p. (2) or 11 v. (2) the Commission may (a) issue general licenses for activities required to be licensed under section 101, if the Commission determines in writing that such general licensing will not constitute an unreasonable risk to the common defense and security, and (b) issue licenses for the export of such facilities, if the Commission determines in writing that each export will not constitute an unreasonable risk to the common defense and security.

" 'SEC. 110. EXCLUSIONS.—Nothing in this chapter shall be deemed—

" 'a. to require a license for (1) the processing, fabricating, or refining of special nuclear material, or the separation of special nuclear material, or the separation of special nuclear material from other substances, under contract with and for the account of the Commission; or (2) the construction or operation of facilities under contract with and for the account of the Commission; or

" 'b. to require a license for the manufacture, production, or acquisition by the Department of Defense of any utilization facility authorized pursuant to section 91, or for the use of such facility by the Department of Defense or a contractor hereof.

" 'CHAPTER 11. INTERNATIONAL ACTIVITIES

" 'SEC. 121. EFFECT OF INTERNATIONAL ARRANGEMENTS.—Any provision of this Act or any action of the Commission to the extent and during the time that it conflicts with the provisions of any international arrangement made after the date of enactment of this Act shall be deemed to be of no force or effect.

" 'SEC. 122. POLICIES CONTAINED IN INTERNATIONAL ARRANGEMENTS.—In the performance of its functions under this Act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of enactment of this Act.

" 'SEC. 123. COOPERATION WITH OTHER NATIONS.—No cooperation with any nation or regional defense organization pursuant to section 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until—

" 'a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 144 b., the Department of Defense has submitted to the President the proposed agreement for cooperation, together with its recommendation thereon, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

" 'b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

" 'c. the proposed agreement for cooperation together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days).

" 'SEC. 124. INTERNATIONAL ATOMIC POOL.—The President is authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy and he may thereafter cooperate with that group of nations pursuant to section 54, 57, 64, 82, 103, 104, or 144 a.: *Provided, however,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

" 'CHAPTER 12. CONTROL OF INFORMATION

" 'SEC. 141. POLICY.—It shall be the policy of the Commission to control the dissemination and declassification of Restricted Data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

" 'a. Until effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established by an international arrangement, there shall be no exchange of Restricted Data with other nations except as authorized by section 144; and

" 'b. The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

" 'SEC. 142.—CLASSIFICATION AND DECLASSIFICATION OF RESTRICTED DATA.—

" 'a. The Commission shall from time to time determine the data, within the definition of Restricted Data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of Restricted Data.

" 'b. The Commission shall maintain a continuous review of Restricted Data and of any Classification Guides issued for the guidance of those in the atomic energy program with respect to the areas of Restricted Data which have been declassified in order to determine which information may be declassified and removed from the category of Restricted Data without undue risk to the common defense and security.

" 'c. In the case of Restricted Data which the Commission and the Department of Defense jointly determine to relate primarily to the military utilization of atomic weapons, the determination that such data may be published without constituting an unreasonable risk to the common defense and security shall be made by the Commission and the Department of Defense jointly, and if the Commission and the Department of Defense do not agree, the determination shall be made by the President.

" 'd. The Commission shall remove from the Restricted Data category such data as the Commission and the Department of Defense jointly determine relates primarily to the military utilization of atomic weapons and which the Commission and Department of Defense jointly determine can be adequately safeguarded as defense information: *Provided, however,* That no such data so removed from the Restricted Data category shall be transmitted or otherwise made available to any nation or regional defense organization, while such data remains defense information, except pursuant to an agreement for cooperation entered into in accordance with subsection 144 b.

" 'e. The Commission shall remove from the Restricted Data category such information concerning the atomic energy programs of other nations as the Commission and the Director of Central Intelligence jointly determine to be necessary to carry out the provisions of section 102 (d) of the National Security Act of 1947, as amended, and can be adequately safeguarded as defense information.

" 'SEC. 143. DEPARTMENT OF DEFENSE PARTICIPATION.—The Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee or prospective licensee of the Commission to permit any employee of any agency of the Department of Defense or of its contractors,

or any member of the Armed Forces to have access to Restricted Data required in the performance of his duties and so certified by the head of the appropriate agency of the Department of Defense or his designee: *Provided, however,* That the head of the appropriate agency of the Department of Defense or his designee has determined, in accordance with the established personnel security procedures and standards of such agency, that permitting the member or employee to have access to such Restricted Data will not endanger the common defense and security: *And provided further,* That the Secretary of Defense finds that the established personnel and other security procedures and standards of such agency are adequate and in reasonable conformity to the standards established by the Commission under section 145.

" 'SEC. 144. INTERNATIONAL COOPERATION.—

" 'a. The President may authorize the Commission to cooperate with another nation and to communicate to that nation Restricted Data on—

" '(1) refining, purification, and subsequent treatment of source material;

" '(2) reactor development;

" '(3) production of special nuclear material;

" '(4) health and safety;

" '(5) industrial and other applications of atomic energy for peaceful purposes; and

" '(6) research and development relating to the foregoing:

Provided, however, That no such cooperation shall involve the communication of Restricted Data relating to the design or fabrication of atomic weapons: *And provided further,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123, or is undertaken pursuant to an agreement existing on the effective date of this Act.

" 'b. The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate to that nation or organization such Restricted Data as is necessary to—

" '(1) the development of defense plans;

" '(2) the training of personnel in the employment of and defense against atomic weapons; and

" '(3) the evaluation of the capabilities of potential enemies in the employment of atomic weapons,

while such other nation or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: *Provided, however,* That no such cooperation shall involve communication of Restricted Data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof but not including any data in these categories unless in the joint judgment of the Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon: *And provided further,* That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123.

" 'SEC. 145. RESTRICTIONS.—

" 'a. No arrangement shall be made under section 31, no contract shall be made or continued in effect under section 41, and no license shall be issued under section 103 or 104, unlesss the person with whom such arrangement is made, the contractor or prospective contractor, or the prospective licensee agrees in writing not to permit any individual to have access to Restricted Data until the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that permitting such person to have access to Restricted Data will not endanger the common defense and security.

" 'b. Except as authorized by the Commission or the General Manager upon a determination by the Commission or General Manager that such action is clearly consistent with the national interest, no individual shall be employed by the Commission nor shall the Commission permit any individual to have access to Restricted Data until the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that permitting such person to have access to Restricted Data will not endanger the common defense and security.

" 'c. In the event an investigation made pursuant to subsections a. and b. of this section develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action.

" 'd. If the President deems it to be in the national interest, he may from time to time cause investigations of any group or class which are required by subsections a. and b. of this section to be made by the Federal Bureau of Investigation instead of by the Civil Service Commission.

" 'e. Notwithstanding the provisions of subsections a. and b. of this section, a majority of the members of the Commission shall certify those specific positions which are of a high degree of importance or sensitivity and upon such certification the investigation and reports required by such provisions shall be made by the Federal Bureau of Investigation instead of by the Civil Service Commission.

" 'f. The Commission shall establish standards and specifications in writing as to the scope and extent of investigations to be made by the Civil Service Commission pursuant to subsections a. and b. of this section. Such standards and specifications shall be based on the location and class or kind of work to be done, and shall, among other considerations, take into account the degree of importance to the common defense and security of the Restricted Data to which access will be permitted.

" 'SEC. 146. GENERAL PROVISIONS.—

" 'a. Sections 141 to 145, inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of those sections.

" 'b. The Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law.

" 'CHAPTER 13. PATENTS AND INVENTIONS

" 'SEC. 151. MILITARY UTILIZATION.—

" 'a. No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted for any such invention or discovery is hereby revoked, and just compensation shall be made therefor.

" 'b. 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 utilization of special nuclear material or atomic energy in atomic weapons. 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.

" 'c. Any person who has made or hereafter makes any invention or discovery useful (1) in the production or utilization of special nuclear material or atomic energy; (2) in the utilization of special nuclear material in an atomic weapon; or (3) in the utilization of atomic energy in an atomic weapon, shall file with the Commission a report containing a complete description thereof unless such invention or discovery is described in an application for a patent filed with the Commissioner of Patents by such person within the time required for the filing of such report. The report covering any such invention or discovery shall be filed on or before whichever of the following is the later: either the ninetieth day after completion of such invention or discovery; or the ninetieth day after such person first discovers or first has reason to believe that such invention or discovery is useful in such production or utilization.

" 'd. The Commissioner of Patents shall notify the Commission of all applications for patents heretofore or hereafter filed which, in his opinion, disclose inventions or discoveries required to be reported under subsection 151 c., and shall provide the Commission access to all such applications.

" 'SEC. 152. INVENTIONS CONCEIVED DURING COMMISSION CONTRACTS.—Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 33, or under such other circumstances as the Commission may deem appropriate. No patent for any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, shall be issued unless the applicant files with the application, or within 30 days after request therefor by the Commissioner of Patents, a statement under oath setting forth the full facts surrounding the making or conception of the invention or discovery described in the application and whether the invention or discovery was made or conceived in the course of, in connection with, or under the terms of any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission. The Commissioner of Patents shall forthwith forward copies of the application and the statement to the Commission.

" 'The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States.

" 'If the Commission files such a direction with the Commissioner of Patents, and if the applicant's statement claims, and the applicant still believes, that the invention or discovery was not made or conceived in the course of, in connection with, or under the terms of any contract, subcontract, arrangement, or other relationship with the Commission entitling the Commission to take

title to the application or the patent, the applicant may, within 30 days after notification of the filing of such a direction, request a hearing before a Board of Patent Interferences. The Board shall have the power to hear and determine whether the Commission was entitled to the direction filed with the Commissioner of Patents. The Board shall follow the rules and procedures established for interference cases and an appeal may be taken by either the applicant or the Commission from the final order of the Board to the Court of Customs and Patent Appeals in accordance with the procedures governing the appeals from the Board of Patent Interferences.

"'If the statement filed by the applicant should thereafter be found to contain false material statements any notification by the Commission that it has no objections to the issuance of a patent to the applicant shall not be deemed in any respect to constitute a waiver of the provisions of this section or of any applicable civil or criminal statute, and the Commission may have the title to the patent transferred to the Commission on the records of the Commissioner of Patents in accordance with the provisions of this section.

"'SEC. 153. PRIOR ART.—In connection with applications for patents covered by this Chapter, the fact that the invention or discovery was known or used before shall be a bar to the patenting of such invention or discovery even though such prior knowledge or use was under secrecy within the atomic energy program of the United States.

"'SEC. 154. COMMISSION PATENT LICENSES.—The Commission shall establish standard specifications upon which it may grant a patent licen ɜ to use any patent held by the Commission. Such a patent license shall not waive any of the provisions of this Act.

"'SEC. 155. COMPENSATION, AWARDS, AND ROYALTIES.—

"'a. PATENT COMPENSATION BOARD.—The Commission shall designate a Patent Compensation Board to consider applications under this section. The members of the Board shall receive a per diem compensation for each day spent in meetings or conferences, and all members shall receive their necessary traveling or other expenses while engaged in the work of the Board. The members of the Board may serve as such without regard to the provisions of section 281, 283, or 284 of Title 18 of the United States Code, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which directly involves the Commission or in which the Commission is directly interested.

"'b. ELIGIBILITY.—

"'(1) Any owner of a patent licensed under section 156 or subsection 182 d., or any patent licensee thereunder, may make application to the Commission for the determination of a reasonable royalty fee in accordance with such procedures as the Commission by regulation may establish.

"'(2) Any person seeking to obtain the just compensation provided in section 151 shall make application therefor to the Commission in accordance with such procedures as the Commission may by regulation establish.

"'(3) Any person making any invention or discovery useful in the production or utilization of special nuclear material or atomic energy, who is not entitled to compensation or a royalty therefor under this Act and who has complied with the provisions of section 151 c. hereof may make application to the Commission for, and the Commission may grant, an award. The Commission may also, upon the recommendation of the General Advisory Committee, and with the approval of the President, grant an award for any especially meritorious contribution to the development, use, or control of atomic energy.

"'c. STANDARDS.—

"'(1) In determining a reasonable royalty fee as provided for in section 156 or subsection 182 d., the Commission shall take into consideration (A) the advice of the Patent Compensation Board; (B) any defense, general or special, that might be pleaded by a defendant in an action for infringement; (C) the extent to which, if any, such patent was developed through federally financed research; and (D) the degree of utility, novelty, and importance of the invention or discovery, and may consider the cost to the owner of the patent of developing such invention or discovery or acquiring such patent. In no event shall any royalty determined under this subsection be less favorable than royalties fixed by the owner or by the Commission for similar licensees for comparables uses.

"'(2) In determining what constitutes just compensation as provided for in section 151, or in determining the amount of any award under subsection 156 b. (3), the Commission shall take into account the considerations set forth in section 156 c. (1) and the actual use of such invention or discovery. Such compensation may be paid by the Commission in periodic payments or in a lump sum.

"'SEC. 156. MONOPOLISTIC USE OF PATENTS.—Whenever the owner of any patent hereafter granted for any invention or discovery of primary use in the utilization or production of special nuclear material or atomic energy is found by a court of competent jurisdiction to have intentionally used such patent in a manner so as to violate any of the antitrust laws specified in subsection 105 a., there may be included in the judgment of the court, in its discretion and in addition to any other lawful sanctions, a requirement that such owner license such patent to any other licensee of the Commission who demonstrates a need therefor. Such licensee shall pay a reasonable royalty fee, to be determined in accordance with section 155, to the owner of the patent.

"'SEC. 157. FEDERALLY FINANCED RESEARCH.—Nothing in this Act shall affect the right of the Commission to require that patents granted on inventions, made or conceived during the course of federally financed research or operations, be assigned to the United States.

"'SEC. 158. SAVING CLAUSE.—Any patent application on which a patent was denied by the United States Patent Office under section 11 (a) (1), 11 (a) (2), or 11 (b) of the Atomic Energy Act of 1946, and which is not prohibited by section 151 or section 153 of this Act may be reinstated upon application to the Commissioner of Patents within one year after enactment of this Act and shall then be deemed to have been continuously pending since its original filing date: *Provided, however,* That no patent issued upon any patent application so reinstated shall in any way furnish a basis of claim against the Government of the United States.

"'CHAPTER 14. GENERAL AUTHORITY

"'SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

"'a. establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters, provided that the Commission issues regulations setting forth the scope, procedure, and limitations of the authority of each such board;

"'b. establish by rule, regulation, or order, such standards and instructions to govern the possession and use of special nuclear material, source material, and byproduct material as the Commission may deem necessary or desirable to promote the common defense and security or to protect health or to minimize danger to life or property;

"'c. make such studies and investigations, obtain such information, and hold such meetings or hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893, shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

"'d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however,* That no officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

"'e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of section 174;

"'f. with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

"'g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 174, and to sell, lease, grant, and dispose of such real and personal property as provided in this Act;

"'h. consider in a single application one or more of the activities for which a license is required by this Act, combine in a single license one or more of such activities, and permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission;

"'i. prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to this Act, (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 53 or produced by any person in connection with any activity authorized pursuant to this Act, and to prevent any use

or disposition thereof which the Commission may determine to be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this Act, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property;

" 'j. without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that Act, or any other law, make such disposition as it may deem desirable of (1) radioactive materials, and (2) any other property, the special disposition of which is, in the opinion of the Commission, in the interest of the national security: *Provided, however,* That the property furnished to licensees in accordance with the provisions of subsection 161 m. shall not be deemed to be property disposed of by the Commission pursuant to this subsection;

" 'k. authorize such of its members, officers, and employees as it deems necessary in the interest of the common defense and security to carry firearms while in the discharge of their official duties. The Commission may also authorize such of those employees of its contractors engaged in the protection of property owned by the United States and located at facilities owned by or contracted to the United States as it deems necessary in the interests of the common defense and security to carry firearms while in the discharge of their official duties;

" 'l. secure the admittance free of duty into the United States of purchases made abroad of source materials, upon certification to the Secretary of the Treasury that such entry is necessary in the interest of the common defense and security;

" 'm. enter into agreements with persons licensed under section 103 or 104 for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this Act, as may be necessary for the conduct of the licensed activity: *Provided, however,* That any such agreement may be canceled by the licensee at any time upon payment of such reasonable cancellation charges as may be agreed upon by the licensee and the Commission: *And provided further,* That the Commission shall establish prices to be paid by licensees for material or services to be furnished by the Commission pursuant to this subsection, which prices shall be established on such a nondiscriminatory basis as, in the opinion of the Commission, will provide reasonable compensation to the Government for such material or services and will not discourage the development of sources of supply independent of the Commission;

" 'n. assign scientific, technical, professional, and administrative employees for instruction, education, or training by public or private agencies, institutions of learning, laboratories, or industrial or commercial organizations and to pay the whole or any part of the salaries of such employees, costs of their transportation and per diem in lieu of subsistence in accordance with applicable laws and regulations, and training charges incident to their assignments (including tuition and other related fees): *Provided, however,* That (1) not more than one per centum of the eligible employees shall be so assigned during any fiscal year, and (2) any such assignment shall be approved in advance by the Commission or shall be in accordance with a training program previously approved by the Commission: *And provided further,* That appropriations or other funds available to the Commission for salaries or expenses shall be available for the purposes of this subsection;

" 'o. delegate to the General Manager or other officers of the Commission any of those functions assigned to it under this Act except those specified in sections 51, 57 a. (3), 61, 102 (with respect to the finding of practical value), 108, 123, 145 b. (with respect to the determination of those persons to whom the Commission may reveal Restricted Data in the national interest), 145 e., and 161 a.;

" 'p. require by rule, regulation, or order, such reports, and the keeping of such records with respect to, and to provide for such inspections of, activities and studies of types specified in section 31 and of activities under licenses issued pursuant to sections 53, 63, 81, 103, and 104, as may be necessary to effectuate the purposes of this Act, including section 105; and

" 'q. make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act.

" 'SEC. 162. CONTRACTS.—The President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security.

" 'SEC. 163. ADVISORY COMMITTEES.—The members of the General Advisory Committee established pursuant to section 26 and the members of advisory boards established pursuant to section 161 a. may serve as such without regard to the provisions of sections 281, 283, or 284 of Title 18 of the United States Code, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which directly involves the Commission or in which the Commission is directly interested.

" 'SEC. 164. ELECTRIC UTILITY CONTRACTS.—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 twenty-five 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. 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. Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the Joint Committee and a period of thirty days shall elapse while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days) before the contract of the Commission shall become effective: *Provided, however,* That the Joint Committee, after having received the proposed contract, may by resolution in writing, waive the conditions of all or any portion of such thirty-day period.

" 'SEC. 165.—CONTRACT PRACTICES.—

" 'a. In carrying out the purposes of this Act the Commission shall not use the cost-plus-percentage-of-cost system of contracting.

" 'b. No contract entered into under the authority of this Act shall provide, and no contract entered into under the authority of the Atomic Energy Act of 1946, as amended, shall be modified or amended after the date of enactment of this Act to provide, for direct payment or direct reimbursement by the Commission of any Federal income taxes on behalf of any contractor performing such contract for profit.

" 'SEC. 166. COMPTROLLER GENERAL AUDIT.—No moneys appropriated for the purposes of this Act shall be available for payments under any contract with the Commission, negotiated without advertising, except contracts with any foreign government or any agency thereof and contracts with foreign producers, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to such contracts or subcontracts: *Provided, however,* That no moneys so appropriated shall be available for payment under such contract which includes any provision precluding an audit by the General Accounting Office of any transaction under such contract.

" 'SEC. 167. CLAIM SETTLEMENTS.—The Commission, acting on behalf of the United States, is authorized to consider, ascertain, adjust, determine, settle, and pay, any claim for money damage of $5,000 or less against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from any detonation, explosion, or radiation produced in the conduct of the Commission's program for testing atomic weapons, where such claim is presented to the Commission in writing within one year after the accident or incident out of which the claim arises: *Provided, however,* That the damage to or loss of property, or bodily injury or death, shall not have been caused in whole or in part by any negligence or wrongful act on the part of the claimant, his agents, or employees. Any such settlement under the authority of this section shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary.

" 'SEC. 168. PAYMENTS IN LIEU OF TAXES.—In order to render financial assistance to those States and localities in which the activities of the Commission are carried on, and in which the Commission has acquired property previously subject to State and local taxation, the Commission is authorized to make payments to State and local governments in lieu of property taxes. Such payments may be in the amounts, at the times, and upon the terms the Commission deems appropriate, but the Commission shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by activities of the Commission, the Manhattan Engineer District or their agents. In any such case, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment.

"'SEC. 169. NO SUBSIDY.—No funds of the Commission shall be employed in the construction or operation of facilities licensed under section 103 or 104 except under contract or other arrangement entered into pursuant to section 31.

"'CHAPTER 15. COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

"'SEC. 171. JUST COMPENSATION.—The United States shall make just compensation for any property or interests therein taken or requisitioned pursuant to sections 43, 52 (with respect to the material for which the United States is required to pay just compensation), 66, and 108. Except in case of real property or any interest therein, the Commission shall determine and pay such just compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in the manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to said 75 per centum will constitute just compensation.

"'SEC. 172. CONDEMNATION OF REAL PROPERTY.—Proceedings for condemnation shall be instituted pursuant to the provisions of the Act approved August 1, 1888, as amended, and section 1403 of Title 28 of the United States Code. The Act approved February 26, 1931, as amended, shall be applicable to any such proceedings.

"'SEC. 173. PATENT APPLICATION DISCLOSURES.—In the event that the Commission communicates to any nation any Restricted Data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 per centum of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of Title 28 of the United States Code to recover such further sum as added to such 75 per centum will constitute just compensation.

"'SEC. 174.—ATTORNEY GENERAL APPROVAL OF TITLE.—All real property acquired under this Act shall be subject to the provisions of section 355 of the Revised Statutes, as amended: *Provided, however,* That real property acquired by purchase or donation, or other means of transfer may also be occupied, used, and improved for the purposes of this Act prior to approval of title by the Attorney General in those cases where the President determines that such action is required in the interest of the common defense and security.

"'CHAPTER 16. JUDICIAL REVIEW AND ADMINISTRATIVE PROCEDURE

"'SEC. 181. GENERAL.—The provisions of the Administrative Procedure Act (Public Law 404, Seventy-ninth Congress, approved June 11, 1946) shall apply to all agency action taken under this Act, and the terms "agency" and "agency action" shall have the meaning specified in the Administrative Procedure Act: *Provided, however,* That in the case of agency proceedings or actions which involve Restricted Data or defense information, the Commission shall provide by regulation for such parallel procedures as will effectively safeguard and prevent disclosure of Restricted Data or defense information to unauthorized persons with minimum impairment of the procedural rights which would be available if Restricted Data or defense information were not involved.

"'SEC. 182. LICENSE APPLICATIONS.—

"'a. Each application for a license hereunder shall be in writing and shall specifically state such information as the Commission, by rule or regulation, may determine to be necessary to decide such of the technical and financial qualifications of the applicant, the character of the applicant, the citizenship of the applicant, or any other qualifications of the applicant as the Commission may deem appropriate for the license. In connection with applications for licenses to operate production or utilization facilities, the applicant shall state such technical specifications, including information of the amount, kind, and source of special nuclear material required, the place of the use, the specific characteristics of the facility, and such other information as the Commission may, by rule or regulation, deem necessary in order to enable it to find that the utilization or production of special nuclear material will be in accord with the common defense and security and will provide adequate protection to the health and safety of the public. Such technical specifications shall be a part of any license issued. The Commission may at any time after the filing of the original application, and before the expiration of the license, require further written statements in order to enable the Commission to determine whether the application should be granted or denied or whether a license should be modified or revoked. All applications and statements shall be signed by the applicant or licensee under oath or affirmation.

"'b. The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, to municipalities, private utilities, public bodies, and cooperatives within transmission distance authorized to engage in the distribution of electric energy and until it has published notice of such application once each week for four consecutive weeks in the Federal Register, and until four weeks after the last notice.

"'c. The Commission, in issuing any license for a utilization or production facility for the generation of commercial power under section 103, shall give preferred consideration to applications for such facilities which will be located in high cost power areas in the United States if there are conflicting applications for a limited opportunity for such license. Where such conflicting applications resulting from limited opportunity for such license include those submitted by public or cooperative bodies such applications shall, insofar as practicable, be given preferred consideration.

"'d. The Commission, in issuing any license within five years after the date of enactment of this Act for the manufacture of any utilization or production facility shall, if issued under section 103, or may, if issued under subsection 104 b., give preference to persons applying therefor who agree as a part of the license application to issue nonexclusive patent licenses for any patents or interests therein, owned or acquired by such applicant within five years after the date of enactment of this Act which are of primary use in production or utilization facilities, to any other licensee of the Commission who demonstrates need therefor upon payment by such other licensee to the owner of the patent of a reasonable royalty fee to be determined pursuant to section 155.

"'SEC. 183. TERMS OF LICENSES.—Each license shall be in such form and contain such terms and conditions as the Commission may, by rule or regulation, prescribe to effectuate the provisions of this Act, including the following provisions:

"'a. Title to all special nuclear material utilized or produced by facilities pursuant to the license, shall at all times be in the United States.

"'b. No right to the special nuclear material shall be conferred by the license except as defined by the license.

"'c. Neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this Act.

"'d. Every license issued under this Act shall be subject to the right of recapture or control reserved by section 108, and to all of the other provisions of this Act, now or hereafter in effect and to all valid rules and regulations of the Commission.

"'SEC. 184. INALIENABILITY OF LICENSES.—No license granted hereunder and no right to utilize or produce special nuclear material granted hereby shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of this Act, and shall give its consent in writing. The Commission may give such consent to the creation of a mortgage, pledge, or other lien upon any facility owned or thereafter acquired by a licensee, or upon any leasehold or other interest in such property, and the rights of the creditors so secured may thereafter be enforced by any court subject to rules and regulations established by the Commission to protect public health and safety and promote the common defense and security.

"'SEC. 185. CONSTRUCTION PERMITS.—All applicants for licenses to construct or modify production or utilization facilities shall, if the application is otherwise acceptable to the Commission, be initially granted a construction permit. The construction permit shall state the earliest and latest dates for the completion of the construction or modification. Unless the construction or modification of the facility is completed by the completion date, the construction permit shall expire, and all rights thereunder be forfeited, unless upon good cause shown, the Commission extends the completion date. Upon the completion of the construction or modification of the facility, upon the filing of any additional information needed to bring the original application up to date, and upon finding that the facility authorized has been constructed and will operate in conformity with the application as amended and in conformity with the provisions of this Act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of this Act, the Commission shall thereupon issue a license to the applicant. For all other purposes of this Act, a construction permit is deemed to be a "license".

"'SEC. 186. REVOCATION.—

"'a. Any license may be revoked for any material false statement in the application or any statement of fact required under section 182, or because of conditions revealed by such application or statement of fact or any report, record, or inspection or other means which would warrant the Commission to refuse to grant a license on an original application, or for failure to construct or operate a facility in accordance with the terms of the construction permit or license or the technical specifications in the application, or for violation of, or failure to observe any of the terms and provisions of this Act or of any regulation of the Commission.

"'b. The Commission shall follow the provisions of section 9 (b) of the Administrative Procedure Act in revoking any license.

"'c. Upon revocation of the license, the Commission may immediately retake possession of all special nuclear material held by the licensee. In cases found by the Com-

mission to be of extreme importance to the national defense and security or to the health and safety of the public, the Commission may recapture any special nuclear material held by the licensee or may enter upon and operate the facility prior to any of the procedures provided under the Administrative Procedure Act. Just compensation shall be paid for the use of the facility.

" 'SEC. 187. MODIFICATION OF LICENSE.—The terms and conditions of all licenses shall be subject to amendment, revision, or modification, by reason of amendments of this Act or by reason of rules and regulations issued in accordance with the terms of this Act.

" 'SEC. 188. CONTINUED OPERATION OF FACILITIES.—Whenever the Commission finds that the public convenience and necessity or the production program of the Commission requires continued operation of a production facility or utilization facility the license for which has been revoked pursuant to section 186, the Commission may, after consultation with the appropriate regulatory agency, State or Federal, having jurisdiction, order that possession be taken of and such facility be operated for such period of time as the public convenience and necessity or the production program of the Commission may, in the judgment of the Commission, require, or until a license for the operation of the facility shall become effective. Just compensation shall be paid for the use of the facility.

" 'SEC. 189. HEARINGS AND JUDICIAL REVIEW.—

" 'a. In any proceeding under this Act, for the granting, suspending, revoking, or amending of any license or construction permit, or application to transfer control, and in any proceeding for the issuance or modification of rules and regulations dealing with the activities of licensees, and in any proceeding for the payment of compensation, an award or royalties under sections 156, 182 d., 186 c., or 188, the Commission shall grant a hearing upon the request of any person whose interest may be affected by the proceeding, and shall admit any such person as a party to such proceeding.

" 'b. Any final order entered in any proceeding of the kind specified in subsection a. above shall be subject to judicial review in the manner prescribed in the Act of December 29, 1950, as amended (ch. 1189, 64 Stat. 1129), and to the provisions of section 10 of the Administrative Procedure Act, as amended.

" 'CHAPTER 17. JOINT COMMITTEE ON ATOMIC ENERGY

" 'SEC. 201. MEMBERSHIP.—There is hereby established a Joint Committee on Atomic Energy to be composed of nine Members of the Senate to be appointed by the President of the Senate, and nine Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than five Members shall be members of the same political party.

" 'SEC. 202. AUTHORITY AND DUTY.—The Joint Committee shall make continuing studies of the activities of the Atomic Energy Commission and of problems relating to the development, use, and control of atomic energy. During the first sixty days of each session of the Congress, the Joint Committee shall conduct hearings in either open or executive session for the purpose of receiving information concerning the development, growth, and state of the atomic energy industry. The Commission shall keep the Joint Committee fully and currently informed with respect to all of the Commission's activities. The Department of Defense shall keep the Joint Committee fully and currently informed with respect to all matters within the Department of Defense relating to the development, utilization, or application of atomic energy. Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of atomic energy. All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Commission or to the development, use, or control of atomic energy shall be referred to the Joint Committee. The members of the Joint Committee who are Members of the Senate shall from time to time report to the Senate, and the members of the Joint Committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the Joint Committee or otherwise within the jurisdiction of the Joint Committee.

" 'SEC. 203. CHAIRMAN.—Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as in the case of the original selection. The Joint Committee shall select a Chairman and a Vice Chairman from among its members at the beginning of each Congress. The Vice Chairman shall act in the place and stead of the Chairman in the absence of the Chairman. The Chairmanship shall alternate between the Senate and the House of Representatives with each Congress, and the Chairman shall be selected by the Members from that House entitled to the Chairmanship. The Vice Chairman shall be chosen from the House other than that of the Chairman by the Members from that House.

" 'SEC. 204. POWERS.—In carrying out its duties under this Act, the Joint Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings or investigations, to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The Joint Committee may make such rules respecting its organization and procedures as it deems necessary: *Provided, however,* That no measure or recommendation shall be reported from the Joint Committee unless a majority of the committee assent. Subpenas may be issued over the signature of the Chairman of the Joint Committee or by any member designated by him or by the Joint Committee, and may be served by such person or persons as may be designated by such Chairman or member. The Chairman of the Joint Committee or any member thereof may administer oaths to witnesses. The Joint Committee may use a committee seal. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, as amended, shall apply in case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this section. The expenses of the Joint Committee shall be paid from the contingent fund of the Senate from funds appropriated for the Joint Committee upon vouchers approved by the Chairman. The cost of stenographic service to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the Senate. The cost of stenographic service to report executive hearings shall be fixed at an equitable rate by the Joint Committee. Members of the Joint Committee, and its employees and consultants, while traveling on official business for the Joint Committee, may receive either the per diem allowance authorized to be paid to Members of Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher.

" 'SEC. 205. STAFF AND ASSISTANCE.—The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The Joint Committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government. The Joint Committee is authorized to permit such of its members, employees, and consultants as it deems necessary in the interest of common defense and security to carry firearms while in the discharge of their official duties for the committee.

" 'SEC. 206. CLASSIFICATION OF INFORMATION.—The Joint Committee may classify information originating within the committee in accordance with standards used generally by the executive branch for classifying Restricted Data or defense information.

" 'SEC. 207. RECORDS.—The Joint Committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committee records, data, charts and files shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or other places as the Joint Committee may direct under such security safeguards as the Joint Committee shall determine in the interest of the common defense and security.

" 'CHAPTER 18. ENFORCEMENT

" 'SEC. 221. GENERAL PROVISIONS.—

" 'a. To protect against the unlawful dissemination of Restricted Data and to safeguard facilities, equipment, materials, and other property of the Commission, the President shall have authority to utilize the services of any Government agency to the extent he may deem necessary or desirable.

" 'b. The Federal Bureau of Investigation of the Department of Justice shall investigate all alleged or suspected criminal violations of this Act.

" 'c. No action shall be brought against any individual or person for any violation under this Act unless and until the Attorney General of the United States has advised the Commission with respect to such action and no such action shall be commenced except by the Attorney General of the United States: *Provided, however,* That no action shall be brought under sections 222, 223, 224, 225 or 226 except by the express direction of the Attorney General.

" 'SEC. 222. VIOLATION OF SPECIFIC SECTIONS.—Whoever willfully violates, attempts to violate, or conspires to violate, any provision of sections 57, 92, or 101, or whoever unlawfully interferes, attempts to interfere, or conspires to interfere with any recapture or entry under section 108, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both, except that whoever commits such an offense with intent to injure the United States or with intent to secure an advantage to any foreign nation shall, upon conviction thereof, be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or by imprisonment for not more than twenty years, or both.

" 'SEC. 223. VIOLATION OF SECTIONS GENERALLY.—Whoever willfully violates, attempts to violate, or conspires to violate, any provision of this Act for which no penalty is specifically provided or of any regulation or order prescribed or issued under section 65 or subsections 161 b., i., or p. shall, upon conviction thereof, be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both, except that

whoever commits such an offense with intent to injure the United States or with intent to secure an advantage to any foreign nation, shall, upon conviction thereof, be punished by a fine of not more than $20,000 or by imprisonment for not more than twenty years, or both.

"SEC. 224. COMMUNICATION OF RESTRICTED DATA.—Whoever, lawfully or unlawfully, having possession of, access to, control over, or being entrusted with any document, writing, sketch, photograph, plan, model, instrument, appliance, note, or information involving or incorporating Restricted Data—

" 'a. communicates, transmits, or discloses the same to any individual or person, or attempts or conspires to do any of the foregoing, with intent to injure the United States or with intent to secure an advantage to any foreign nation, upon conviction thereof, shall be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or imprisonment for not more than twenty years, or both;

" 'b. communicates, transmits, or discloses the same to any individual or person, or attempts or conspires to do any of the foregoing, with reason to believe such data will be utilized to injure the United States or to secure an advantage to any foreign nation, shall, upon conviction, be punished by a fine of not more than $10,000 or imprisonment for not more than ten years, or both.

" 'SEC. 225. RECEIPT OF RESTRICTED DATA.—Whoever, with intent to injure the United States or with intent to secure an advantage to any foreign nation, acquires, or attempts or conspires to acquire any document, writing, sketch, photograph, plan, model, instrument, appliance, note, or information involving or incorporating Restricted Data shall, upon conviction thereof, be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or imprisonment for not more than twenty years, or both.

" 'SEC. 226. TAMPERING WITH RESTRICTED DATA.—Whoever, with intent to injure the United States or with intent to secure an advantage to any foreign nation, removes, conceals, tampers with, alters, mutilates, or destroys any document, writing, sketch, photograph, plan, model, instrument, appliance, or note involving or incorporating Restricted Data and used by any individual or person in connection with the production of special nuclear material, or research or development relating to atomic energy, conducted by the United States, or financed in whole or in part by Federal funds, or conducted with the aid of special nuclear material, shall be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or imprisonment for not more than twenty years, or both.

" 'SEC. 227. DISCLOSURE OF RESTRICTED DATA.—Whoever, being or having been an employee or member of the Commission, a member of the Armed Forces, an employee of any agency of the United States, or being or having been a contractor of the Commission or of an agency of the United States, or being or having been an employee of a contractor of the Commission or of an agency of the United States, or being or having been a licensee of the Commission, or being or having been an employee of a licensee of the Commission, knowingly communicates, or whoever conspires to communicate or to receive, any Restricted Data, knowing or having reason to believe that such data is Restricted Data, to any person not authorized to receive Restricted Data pursuant to the provisions of this Act or under rule or regulation of the Commission issued pursuant thereto, knowing or having reason to believe such person is not so authorized to receive Restricted Data shall, upon conviction thereof, be punishable by a fine of not more than $2,500.

" 'SEC. 228. STATUTE OF LIMITATIONS.—Except for a capital offense, no individual or person shall be prosecuted, tried, or punished for any offense prescribed or defined in sections 224 to 226, inclusive, of this Act unless the indictment is found or the information is instituted within ten years next after such offense shall have been committed.

" 'SEC. 229. OTHER LAWS.—Sections 224 to 228 shall not exclude the applicable provisions of any other laws.

" 'SEC. 230. INJUNCTION PROCEEDINGS.—Whenever in the judgment of the Commission any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or any regulation or order issued thereunder, the Attorney General on behalf of the United States may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Commission that such person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order may be granted.

" 'SEC. 231. CONTEMPT PROCEEDINGS.—In case of failure or refusal to obey a subpena served upon any person pursuant to subsection 161 c., the district court for any district in which such person is found or resides or transacts business, upon application by the Attorney General on behalf of the United States, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both, in accordance with the subpena; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

" 'CHAPTER 19. MISCELLANEOUS

" 'SEC. 241. TRANSFER OF PROPERTY.—Nothing in this Act shall be deemed to repeal, modify, amend, or alter the provisions of section 9 (a) of the Atomic Energy Act of 1946, as heretofore amended.

" 'SEC. 251. REPORT TO CONGRESS.—The Commission shall submit to the Congress, in January and July of each year, a report concerning the activities of the Commission. The Commission shall include in such report, and shall at such other times as it deems desirable submit to the Congress, such recommendations for additional legislation as the Commission deems necessary or desirable.

" 'SEC. 261. APPROPRIATIONS.—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 any real property or any facility or for plant or facility acquisition, 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 four years following the expiration of the fiscal year for which appropriated.

" 'SEC. 271. AGENCY JURISDICTION.—Nothing in this Act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

" 'SEC. 272. APPLICABILITY OF FEDERAL POWER ACT.—Every licensee under this Act who holds a license from the Commission for a utilization or production facility for the generation of commercial electric energy under section 103 and who transmits such electric energy in interstate commerce or sells it at wholesale in interstate commerce shall be subject to the regulatory provisions of the Federal Power Act.

" 'SEC. 273. LICENSING OF GOVERNMENT AGENCIES.—Nothing in this Act shall preclude any Government 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, if qualified under the provisions of section 103, for the construction and operation of production or utilization facilities for the primary purpose of producing electric energy for disposition for ultimate public consumption.

" 'SEC. 281. SEPARABILITY.—If any provision of this Act or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

" 'SEC. 291. SHORT TITLE.—This Act may be cited as the "Atomic Energy Act of 1954".'

"SEC. 2.—

"a. Section 1 (d) of the Act of December 29, 1950 (64 Stat. 1129), is amended by inserting before the period at the end thereof a semicolon and the following: 'when such order was entered by the Atomic Energy Commission, "agency" means that Commission,

"b. Section 2 of the Act of December 29, 1950 (64 Stat. 1129), is amended by inserting before the period at the end of the first paragraph thereof a comma and the following: 'and (d) of the Atomic Energy Commission made reviewable by section 189 of the Atomic Energy Act of 1954, as amended'.

"SEC. 3. There is hereby retroceded to the State of New Mexico the exclusive jurisdiction heretofore acquired from the State of New Mexico by the United States of America over the following land of the United States Atomic Energy Commission in Bernalillo County and within the boundaries of the Sandia base, Albuquerque, New Mexico.

"Beginning at the center quarter corner of section 30, township 10 north, range 4 east, New Mexico principal meridian, Bernalillo County, New Mexico, thence south no degrees twenty-three minutes thirty seconds west one thousand nine hundred forty-seven and twenty one-hundredths feet, thence north eighty-nine degrees thirty-six minutes forty-five seconds east two thousand sixty-eight and forty one-hundredths feet, thence north eighty-nine degrees three minutes fifteen seconds east five hundred forty-six feet, thence north no degrees thirty-nine minutes no seconds east two hundred thirty-two and seventy one-hundredths feet, thence north eighty-nine degrees twenty-one minutes no seconds west eight hundred fifty-two and twenty one-hundredths feet, thence north no degrees thirty-nine minutes no seconds east five hundred and sixty one-hundredths feet, thence along the back of the south curb of West Sandia Drive, Sandia Base, Bernalillo County, New Mexico, eight hundred sixty-five and sixty one-hundredths feet, thence north no degrees thirty-nine minutes no seconds east one thousand three hundred thirty-five and three-tenths feet to a point south eighty-nine degrees twenty-seven minutes forty-five seconds west a distance of thirty feet from the quarter corner common to sections 30 and 29, township 10 north, range 4 east, thence south eighty-nine degrees, twenty-seven minutes forty-five seconds west two thousand six hundred twenty-three and forty one-hundredths feet to the point of beginning.

"This retrocession of jurisdiction shall take effect upon acceptance by the State of New Mexico."

And the Senate agree to the same.

W. STERLING COLE,
CARL HINSHAW,
JAMES E. VAN ZANDT,
CARL T. DURHAM,
Managers on the Part of the House.

BOURKE B. HICKENLOOPER,
WILLIAM F. KNOWLAND,
JOHN W. BRICKER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DIVISIONS OF THE COMMISSION

The House bill continued in effect the provision of existing law which establishes within the Atomic Energy Commission a Division of Military Application and such other program divisions, not exceeding 10, as the Commission may determine (subsec. 25 a.). The Senate amendment added to the House bill a requirement that there be within the Commission "a division or divisions the primary responsibilities of which include the application of civilian uses". The conference substitute retains the substance of the language added by the Senate amendment.

DISPOSITION OF ENERGY PRODUCED AT COMMISSION FACILITIES

The House bill provided for the disposition of energy produced in the production of special nuclear material at production or experimental utilization facilities owned by the United States (sec. 44). It also provided for a preference to public bodies and cooperatives in the disposition of such energy, and prohibited the Commission from engaging in the sale or disposition of energy for commercial use except in the case of energy produced incidental to the operation of research and development or production facilities of the Commission.

The Senate amendment retained the provisions relating to disposition of energy produced by the Commission, but added a preference for high-cost power areas and a new section 45 which would authorize the Commission to engage in the production of electric power in its own facilities. It also would authorize other Federal agencies to be licensees of the Commission.

The committee of conference eliminated the Senate section 45 and revised section 44 so as to make it applicable to the disposition of energy produced at facilities of the Commission. It retained the requirement that, insofar as practicable, the Commission give preference to public bodies and cooperatives and to utilities in high-cost areas. It also retained the provision prohibiting the Commission from engaging in the sale of energy for commercial use except in the case of energy produced by the Commission incident to the operation of research and development facilities of the Commission and of facilities of the Commission for the production of special nuclear material.

The committee of conference amended section 31 a. (4) so as to clarify the authority of the Commission to build or contract for the building of large-scale atomic energy utilization facilities for the purpose of demonstrating the practical value of such facilities in the generation of electric energy, or for other industrial or commercial purposes. The construction of such large-scale demonstration facilities would require specific authorization by the Congress as provided in section 261.

For the purpose of clarity, sections 103 and 104 (which relate to the licensing of production and utilization facilities) were amended by the committee of conference so as to include the authority to issue licenses to "persons applying therefor" instead of to "applicants". The effect of this amendment is to make it clear that Government agencies are on an equal footing with all others before the Commission with respect to obtaining licenses from the Commission, since the definition of "persons" (subsec. 11 n.) specifically includes Government agencies (other than the Commission). In order to make this effect even more specific, a new section 273 was added to the bill to incorporate the substance of the final sentence of section 45 as added by the Senate amendment. This new section states that nothing in the act shall preclude any Government agency authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103, if qualified under the provisions of section 103, for the construction and operation of production or utilization facilities for the primary purpose of producing electric energy for distribution for ultimate public consumption.

Since there was no thought that the Commission, in carrying out its obligations under this act, should not be required to get congressional approval for its operations, the amendment made by the Senate to section 261 which exempted the Commission from the necessity of obtaining congressional approval for certain construction and acquisition projects was deleted by the conference substitute.

NOTICE OF LICENSES

The House bill contained a provision requiring the Commission to give notice of proposed licenses under section 103 to those within transmission distance who might be engaged in the distribution of electricity. The Senate amendment required that notice be given to private utilities as well as to those persons included within the House provision. The conference substitute retains the Senate language with a minor amendment.

LICENSE PREFERENCES

The House bill contained a provision requiring the Commission to give preferred consideration in issuing licenses under section 103 to facilities which will be located in high cost power areas where there is a limited opportunity for such licenses (sec. 182 c.). The Senate amendment added a provision requiring that in such situations applications submitted by public and cooperative bodies were also to be given preferred consideration. The conference substitute follows the Senate amendment but requires such preference to be given "insofar as practicable."

APPLICABILITY OF FEDERAL POWER ACT

The Senate amendment added to the House bill a requirement that licensees under section 103 transmitting electric energy in interstate commerce or marketing such energy at wholesale in interstate commerce are to be subject to the Federal Power Act. The conference substitute retains the substance of the provision added by the Senate amendment and makes it a new section (sec. 272) in the bill.

SOURCE MATERIAL

In connection with the leasing of lands belonging to the United States for prospecting for or mining of deposits of source material, the House bill provided for the award of leases or permits on a competitive bidding basis after notice has been published in a newspaper in the county in which the lands are situated (sec. 67). The Senate amendment deleted this provision, and the conference substitute follows the Senate amendment.

The problems involved in issuing leases on the basis of competitive bidding require further study. It was decided by the committee of conference that this matter should be taken up in the next session of Congress if the Commission does not itself institute such methods of procedure after holding hearings specifically on the point.

ADVICE OF ATTORNEY GENERAL ON LICENSES

In connection with the issuance of licenses for utilization and production facilities, the House bill provided certain requirements with respect to the antitrust laws (sec. 105). Among these was the requirement that the Commission obtain the advice of the Attorney General before issuing any such license. The Senate amendment required that the Commission follow the advice of the Attorney General unless the President made a finding that the issuance of such a license was essential to the common defense and security and the finding was published in the Federal Register. This amendment in effect made the advice of the Attorney General a decision binding upon the Commission and the applicant without hearing. The conference substitute deletes the portion of the provision added by the Senate amendment which required that the advice of the Attorney General be followed, but requires that the advice of the Attorney General be published in the Federal Register.

INTERNATIONAL ACTIVITIES

The House bill provided that agreements for cooperation (sec. 123) were to be submitted to the President by the Commission or the Department of Defense, whichever was responsible for the initiation of the agreement. The Senate amendment required in addition that the Commission or the Department of Defense favorably recommend the agreement for cooperation. The corresponding provision in the conference substitute requires that the Commission or the Department of Defense submit the agreement for cooperation to the President together with its recommendation concerning the agreement.

The House bill provided for the termination of agreements for cooperation by the President or by the Congress (sec. 123 (2) and (3)). A similar provision in section 54 of the House bill provided for the termination by the Congress of agreements for cooperation for the foreign distribution of special nuclear material. The Senate amendment eliminated these provisions, and the conference substitute follows the Senate amendment. In view of the requirement in section 123 that each proposed agreement shall include "the terms, conditions, duration, * * * of the cooperation," the committee of conference believed that the agreements themselves would provide for termination conditions which would be most suitable under the special circumstances in each case.

ELECTRIC UTILITY CONTRACTS

The House bill contained an authorization for the Commission to enter into contracts for electric utility services in connection with the construction and operation of facilities at Oak Ridge, Paducah, and Portsmouth. The Senate amendment authorized

the Commission to enter into contracts to provide for replacement to the Tennessee Valley Authority of electric utility services furnished by TVA to the Commission in accordance with the basic authority, and also required any contract hereafter entered into to be submitted to the Joint Committee for a period of 30 days before becoming effective. The conference substitute follows the Senate amendment.

CONTRACT PRACTICES

The Senate amendment added to the House bill a provision (sec. 170) prohibiting the Commission from entering into a contract providing for the direct payment by the Commission of Federal income taxes on behalf of any contractor or for any payment to such contractor as reimbursement for any Federal income taxes paid by such contractor. The conference substitute limited the prohibition to the direct payment or direct reimbursement by the Commission of any Federal income tax, and made the prohibition as so limited a part of section 165. It was the intention of the committee of conference to prohibit the direct payment of Federal income taxes to contractors of the Commission, but it was not the intention of the committee of conference to bar inclusion of such taxes in the computation or adjustment of the base rate or cost structure of the Commission contract.

PATENTS

The House bill and the Senate amendment both provided, as does the Atomic Energy Act of 1946, as amended, that there shall be no patents issued in the field of atomic weapons. With respect to other areas in the atomic energy field the House bill permitted normal patents. However, it required that inventions or discoveries made under contract or other arrangement with the Commission shall be deemed to have been made by the Commission and patents therefor shall be the property of the Government unless the Commission either waives its claim or its claim is not held valid by the Board of Patent Interferences. The House bill provided a procedure for testing out the question of whether or not inventions were made or conceived under contract with the Commission, using the Board of Patent Interferences as the deciding tribunal. Each applicant for a patent in the atomic energy field would be required to file with the application for such patent a statement under oath setting forth the facts surrounding the making or conceiving of the invention. The Atomic Energy Commission would then be provided an opportunity to review the statement, and if it believed that the invention was made under a contract or other arrangement with the Commission, the Commission would be authorized to direct the Commissioner of Patents to issue the patent to the Commission. If the applicant should not concur, he would be given an opportunity for a hearing before the Board of Patent Interferences. This Board would then have to decide when the invention was made and whether, under all the circumstances, the Commission's claim was valid. The resolution of any question of when an invention is made or conceived is, of course, a normal function of the Board of Patent Interferences.

The Senate amendment did not have this protective device to insure that the Commission would receive all of the patents which properly belonged to it. Instead it authorized the Commission to require compulsory cross-licensing of inventions of primary importance in the field. It also provided for the use by others of patents found by the Government to have been used by their owners in violation of the antitrust laws.

The committee of conference chose a somewhat different approach to the problem so as to avoid as far as possible doubt as to the constitutionality of the licensing system. Therefore, the committee of conference accepted provisions requiring the Commission to give preferred consideration for commercial licenses in the next five years to those applicants who agree to make their atomic energy patents available to all other Commission licensees who demonstrate need therefor upon payment of a reasonable royalty to be determined in accordance with the provisions of the Act. In addition the committee of conference retained the House provision affording protection of the Commission's interest in patents conceived under contract or other arrangement with the Commission.

Furthermore, the committee of conference accepted the Senate amendment which would require those licenses given by patent owners under the circumstances above to be nonexclusive. It also accepted the Senate amendment that the royalty determined in connection with such licensing shall not be less favorable than royalties levied by the owner of the patent or by the Commission to similar licensees for comparable use.

The committee of conference also retained the substance of the Senate amendment dealing with the use of any patents in the atomic field in a manner so as to violate the antitrust laws.

By the provisions selected by the committee of conference it is thought the interest of the public and of the Government are protected in a constitutional manner and to the greatest extent possible without interfering unduly with the incentives inherent in the established patent system.

W. STERLING COLE,
CARL HINSHAW,
JAMES E. VAN ZANDT,
CARL T. DURHAM,
Managers on the Part of the House.

Mr. COLE of New York. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I thought a verbal explanation of the conference report might be more readily understood than if the Members had to listen to the reading of the statement by the reading clerk. After continuous deliberations and negotiations, which lasted the better part of the week, the conferees have finally come into agreement, reached on Friday last in which the differences between the positions of the two Houses have been reconciled to the satisfaction, at least, of a majority of the conferees representing the two Houses. It will be recalled that there were two major differences of position between the bill, as adopted by the Senate, and the one adopted here in the House.

The first area of difference was with respect to public versus private power issue. The other body had put in a provision authorizing, if not directing, but at least authorizing the Atomic Energy Commission to build atomic energy plants for the purpose of generating commercial electricity. On the other hand, a provision was considered in the House which directed that the Commission should not participate in that very thing. It was argued that there was some uncertainty as to whether the Commission, under the bill originally reported to the two Houses, would have had the authority to build an atomic reactor of sufficient size to prove its feasibility and practicability as a commercial atomic plant. There were some of us who took the position that that was implicit in the authority of the Commission. However, in order to resolve that uncertainty, a provision has been adopted by the conferees which makes it very certain that the Commission may, if it obtains funds from the Congress, embark upon an atomic power reactor of whatever size it may feel is desirable, but it must be on the basis of a research and development project and not for the pure and sole purpose of generating commercial electricity.

There was a provision adopted by the House prohibiting the Commission from engaging in the generation of commercial electricity which has been retained. The provision was adopted in both bodies, which is characterized as a preference clause with respect to the distribution of Federal power. The substance of that amendment was retained by the conferees so that now, if this conference report is adopted, in the event that the Commission has any surplus byproduct electrical energy, it may use it itself, or it may sell it to another public body, or to private institutions. But, insofar as it is practicable the Commission must give preference to public bodies and to cooperatives in the sale of that surplus or byproduct power.

Furthermore, there was question as to whether other public bodies could apply and receive a license to generate electricity from an atomic reactor. In order to clarify that, a provision has been inserted making clear and unequivocal what was implicit in the original bill to the effect that any Federal agency or any public agency which may be otherwise empowered by law to do so, and which may have the funds, may apply to the Atomic Energy Commission for a license the same as any individual may. So that now we can assure our rural electrification people and those interested in what is called public power, that any public body, any REA organization may apply for a license to use atomic energy to generate electricity. Furthermore, we can assure them that if there is for some unforeseen reason a circumstance which requires the Commission to limit licenses, then the Commission must give preference to the public bodies and the cooperatives.

The other area of dispute was with respect to the action taken by the House which included a provision in connection with the authority to enter into international agreements. The House adopted a provision which would make it possible for any international agreement arrived at under the procedures set forth in the proposed law, to be canceled at any time by concurrent resolution or under certain circumstances by the President. That was not in the measure passed by the Senate. The conferees were in complete agreement with the purposes and objectives of that amendment. However, there are certain phases of this program which are of great importance, in which it is highly desirable that this limitation should not apply. There are certain types of contracts—and I may indicate what they are—it has to do with the importation of the source material from which atomic weapons are made—that it is very important that these agreements be made as permanent and settled and dependable as possible. So the conferees have elminated that provision. I have discussed the matter with the 2 Members of

the House who were most active in presenting that matter and have indicated to them the full implication of this position, and they appear to be satisfied.

The other major point of difference was with respect to patents and what should be done in this field. The present law prohibits patents in the nonweapon field. This bill for the first time opens the door to private activity in the nonweapon phase of atomic development. As originally presented to the House, the bill contained a provision authorizing the compulsory licensing of any patent which might flow from this private operation for the next 5 years, irrespective of the association which that patent owner might have had with a publicly sponsored program.

After some discussion, the House accepted the amendment which was offered by myself, eliminating the compulsory feature, the basic argument against it being that it is of such doubtful constitutionality as to make it unwise for its adoption at this time.

At any rate, the House eliminated that provision and inserted in place of it the requirement that all patents which are conceived during the course of any association which an individual may have with the Government—employees of these large contractors, or small contractors—all of the people who have been in this program from the beginning or any persons who may become identified with the program—patents which flow from that association become the property of the United States. All other patents acquire the same status as normal patents. That was the substance of the amendment adopted by the House by a substantial margin.

The conferees took somewhat of a middle course. It retained the House provision on patents, so that we can be assured there will be no windfall to people who have been engaged in this program up to this time or in the future. The patents which those folks may discover are the property of the United States, unless the Commission may be willing to surrender its claim to a particular patent.

The conferees also accepted a revised version of the principle of compulsory licensing of patents. Section 182 (d) of the pending report directed that the Commission shall, in issuing licenses for the manufacture of production or utilization facilities of a commercial nature, or it may, in issuing licenses of a research nature, give preference to those persons applying for these licenses who agree to make their atomic energy patents available to other Commission licensees. We have removed the element of compulsion. There is still some discretion on the part of the individual who may anticipate developing a patent. If he applies for a license but is unwilling to expose his possible patents to a system of cross-licensing, he refuses to make that agreement. It does not require that the Commission limit its licenses to those people, but simply to give preference to persons who apply for licenses who will agree to make available for general use, at a royalty which may be fixed by the Commission, whatever patents may flow from the participation.

Mr. Speaker, I think that covers the major points I had to discuss. If anything further occurs to me I will yield myself more time.

I now yield to the gentleman from North Carolina [Mr. DURHAM] 10 minutes.

Mr. DURHAM. Mr. Speaker——

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include therein an exchange of letters between the chairman of the Commission and myself.

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

There was no objection.

Mr. RABAUT. The letters follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 7, 1954.

Hon. W. STERLING COLE,
Chairman, Joint Committee on Atomic Energy, House of Representatives, Washington, D. C.

DEAR COLLEAGUE: As one of the conferees on the Army civil functions aspect of the bill, H. R. 9936, making supplemental appropriations for 1955, it has been my concern that I might not be present in the House at the time the conference report on the atomic energy bill is brought to the floor. Consequently, I desire to make known at this time my interest in the matter.

As I see it, it is important that the meaning of the term "interstate commerce" as used in section 183e be perfectly clear. I know that there is no intention in this act to broaden the interpretation and application of this term to include public utility companies now held to be intrastate by reason of their operation within a single State. There was considerable discussion in the Senate debate on this amendment offered by the junior Senator from Minnesota, and while this debate helped to clarify the sense in which "interstate commerce" was used in section 183e, I believe we should discuss it further to avoid any remote possibility of ambiguity or misunderstanding with respect to the application of the term "interstate commerce" in this act.

I therefore would appreciate having you, as chairman of the joint committee and a lawyer, who fully understands the importance of avoiding any possible misunderstanding or misinterpretation of this term as it is used in this bill, please advise me as to the answers to these questions:

1. Would an electric utility company acting as a licensee under the Atomic Energy Act, as amended, and not now subject to the regulatory provisions of the Federal Power Act and having no license to transmit electrical energy across that State's borders to a sister State, but serving customers within its own State, such as manufacturers of steel, automobiles, drugs, stoves, furniture, and other products, who are themselves engaged in interstate commerce, would such electric utility company become engaged in interstate commerce by reason of its supplying electrical energy to such customers within its own State and thus become subject to the regulatory provisions of the Federal Power Act?

2. Is there any intention whatsoever in this act to broaden the application of the term "interstate commerce" to include public utility companies not now in interstate commerce so as to bring them under the provisions of the Federal Power Act simply by reason of their becoming licensees under section 103 of the Atomic Energy Act?

Your generous attention to this inquiry is most appreciated and I earnestly await an early reply.

Very sincerely yours,
LOUIS C. RABAUT,
Member of Congress.

(Copy to Hon. CARL T. DURHAM, House of Representatives, Washington, D. C.)

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
August 9, 1954.

Hon. LOUIS C. RABAUT,
House of Representatives, Washington, D. C.

DEAR MR RABAUT: This is in reply to your letter of August 7 regarding the intent of the phrase "interstate commerce" in the Senate version of H. R. 9757, section 183e.

The committee of conference has modified this language and placed it in a separate, new section 272. The modified provision is as follows:

"SEC. 272. Every licensee under this act who holds a license from the Commission for a utilization or production facility for the generation of commercial electric energy under section 103 and who transmits such energy in interstate commerce or sells it at wholesale in interstate commerce shall be subject to the regulatory provisions of the Federal Power Act.

This language in no way requires licensees generating or selling electric energy solely in intrastate commerce to be construed as being subject to the regulatory provisions of the Federal Power Act. It was the intention of the committee of conference to insure that the authority of the existing regulatory bodies—State, local, or Federal—continue to have exactly the same authority with regard to electric energy generated from atomic energy as from any other fuel. In other words, electric utility companies generating and selling electric energy and using atomic energy will be subject to exactly the same regulatory authorities as they would be if they used any other fuel.

Your first question relates to the regulation of purely intrastate electric utility companies which may become licensees of the Commission for the operation of atomic energy utilization or production facilities. If such companies do not actually expand their services to neighboring States or take any other action which would otherwise bring them under interstate commerce regulations, there is nothing in the conference bill which could possibly bring such companies under any regulatory authority to which they are not now subject.

Your second question inquires as to whether or not the conference bill in any way broadens the present definition of "interstate commerce" in the electric utility field. It does not.

I shall be pleased to assist you in clarifying any other questions on the revision of the Atomic Energy Act.

Sincerely yours,
STERLING COLE,
Chairman.

Mr. DURHAM. Mr. Speaker, I probably should not be here in the well of the House today. At this time in the session tempers are short, the temperature is hot, and politics is in the air.

It grieves me somewhat to find myself in a position today which requires that I oppose some of my good friends on the committee. But there are times when one necessarily has to take a position in matters pertaining to the security and the national defense of our country. I place this measure in the forefront of that category today.

I do not like everything that is in this measure. I said so previously here on the floor of this House. I do not agree

with every word in the measure. But I can assure you, Mr. Speaker, that all the members of this committee, both Democrats and Republicans, have worked long and hard to bring to this body a measure which would lead to a sound domestic program, one that would produce the necessary weapons material for the Defense Department and at the same time carry out the request of the President on international cooperation and carry out the commitments we have in NATO.

I believe the committee has worked out and brought to the House a measure which is sound.

The charge which has recently been made on the radio and in the press that this bill constitutes a giveaway program simply is not true; this legislation does no such thing. It authorizes a program which, if properly executed and carried out by the executive branch of the Government, in time could give to this country just what the existing act has given to us before. There will be some who will argue that it is a giveaway; but as long as this Government owns and controls every gram of fissionable material, the DuPonts, or any other concern in this country can build a reactor to the sky, and it is not worth 2 cents without that material. Do not forget that the Government controls all of it, even that which is produced by a licensed reactor under this bill. We own it continuously. I do not think the time has yet arrived when we can turn that ownership loose. So it is a continuing Government monopoly. We have provided under this measure for more control of this operation than has ever been done before. We have required authorization under this measure for everything that the Commission builds from now on. I do not think you will ever again experience the difficulty that we faced here in the last measure due to some contracts.

We have prevented the AEC from going into the power business. I do not believe any Member of the House wants the Atomic Energy Commission in the power business. We have made it possible for any REA or for any agency of the Government other than the AEC to come in and qualify and secure a license to operate a reactor just the same as anybody else. Any cooperative and any duly authorized Government agency can produce and sell atomic power if it gets the license to do so. But the AEC can only build a full-scale reactor in connection with its basic research programs. Of course they can sell what comes from that, if necessary, or use it themselves. That is about as far as the bill allows the AEC to go into the power field. You have heard otherwise, but the problem is rather simple, and this is just what the bill does.

Some people have said that this patent provision in here will give to the people who have had the inside on contracts for the past few years a monopoly in the patent field. Personally, I do not like the present patent law. The Government today, as we all know, requires of every individual who takes a little job with the Federal Government, and there are thousands of them, Mr. Speaker—scientists working for the Government—that everything that comes from his brain must belong to the Government. On top of that, the industry of this country has followed suit. So where do we find ourselves with that kind of a policy?

For many, many thousands of years science in Europe was free to operate as it saw fit. But men came along, men like Hitler, Mussolini, and Stalin, who said the state must own your minds. What happened? I recommend and I urge that the House and the executive branch of the Government look at patent practices today. For thousands of years we did not have the kind of scientific personnel that we have today. We are now in a different era; we are in a different atmosphere; we have to depend on these men; and we have to take the leadership. It is important that these young men have a free rein. Why should the individual Members here invest forty or fifty thousand dollars in order that their sons may get a doctor of philosophy degree, then have him go into industry or into his own Government and have them say: "You will not get the benefits." That is not right. That is what I do not like; but that is what the present patent practices result in. This same patent practice prevails to a certain extent in this act. To the extent it does, I do not like it.

The bill gives preference to public bodies, cooperatives, and high-cost power areas in the sale of all power distributed by the AEC if and when there is any. That is written into the act.

Let us look into the international aspects a minute. I would support this measure if it were only for one thing. That is the problem we face today in the international field. We all know what the relations are between ourselves and England pretty well. We know that Churchill did not come over here and advocate coexistence except for the fact that he had some problem at home. What was it? It is a political problem, as we all know. Probably Attlee and Bevan are likely to get more votes than he did. An election will be coming along shortly, probably within the next 2 years. What can we expect of Bevan? Although he is not a Communist, we know whose camp he would be in. It has been said, and I think rightly so, that seven atomic weapons would destroy the British Isles. That is probably true, so you can see why those people worry.

What do we do under this act to give them some assurance that we are back of them? It is peculiarly natural that America and England should stand together, regardless whether they ever develop the security of a European pact which they are talking about but have not yet signed. NATO is in existence today, and it is one body we can cooperate with and assure the people of England that they have some protection, some back up from this tremendous power that we have. We have the delivery capacity, and we all know that we have enough atomic weapons to destroy any country in the world. That is well known. That is a fact. I think under this provision for cooperation with NATO, we say to England and we say to our allies here that we stand back of them with this tremendous power. And this even though some people say they have not cooperated. I would like to give you an idea of the valuable assistance that came to us through source material from Belgium and England. We would not have had much, if they had not cooperated with us. Therefore, it is nothing but commonsense and decency to cooperate with them in this respect. That is what we are trying to do here in this bill, and we do exactly that under this measure. If there was not one other thing in the bill other than that, I would vote for it.

Now, as to the other aspects of the international field, I think the President can do what needs to be done under this bill. It does not go as far as I would like to have it go, but I think he can at least make a beginning in the field of international peacetime cooperation. We do not give them any dangerous secrets; it is simply cooperation. We hand some information to them, much of which is probably pretty well known at the present time. There is nothing of a secret nature, nothing in the nature of weapons, or anything of that sort.

Now, this House has always been dignified in its position when it comes to national defense measures and when cooperation regarding the security of the country is involved; politics are forgotten. That is the reason I am particularly proud to be a Member of the House. I have seen on many occasions the great leader we have today walk down into the well of this House at crucial times and say to us "This thing must be done." Personally I would like to see that today on my side of the aisle. Politics has entered into this, unfortunately, and I plead with this body to dignify its position and not put politics into the atom. We have no control over the other body, but, may I ask you one time again, do not put politics into this. This program has been carried out efficiently. It has been a laborious task. We Members on the joint committee have tried to serve you as well as we could. We have given you all the information that we possibly could give you without divulging any secrets. We know what we have done, and we know what we can do under this measure. I do not hesitate to urge this House to adopt this conference report today.

Mr. COLE of New York. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I hesitate to single out any one member of the joint committee for particular mention, because all of the members of that committee have devoted a great amount of time and energy and sleepless nights in working on this problem. As I indicated when this matter was under discussion, this bill is the culmination of 2 years of effort by the joint committee, and that effort was initiated originally by the gentleman from North Carolina [Mr. DURHAM] who has just spoken. My only reason for singling him out at this time is to verify the fact that he, with us, has labored long and hard, but he had the added impediment of having to endure the pain and suffering of ill health. I want just to mention a word of respect and compliment to him for his faithfulness in

this work. He first became acquainted with atomic energy in 1946 as a member of the Committee on Military Affairs. That experience, that knowledge has been of great benefit to us on the joint committee in considering the bill known as the Atomic Energy Act of 1954. Mr. DURHAM has been a pillar of strength, wisdom, and vision in the consideration of the vital legislation and he deserves the plaudit and gratitude of the House of Representatives.

Now I turn to the bill under consideration. There is a section of this conference report which I feel should be clarified, section 152, that provision imposing public ownership upon any patent derived in the course of any association with the commission whatever. The question has been raised as to whether that association might cover a licensing arrangement between the commission and an individual. It is not intended that section 152 should cover licensees unless in some other respects they do have an association with the commission by reason of being a contractor or subcontractor or having money given to them by the Commission. But the mere fact of a person having a license does not mean necessarily that the product of his operation, if a patent should flow, would become publicly owned.

While section 152 clearly prohibits the granting of patents on any invention or discovery in the atomic field "made or conceived under any contract, subcontract, arrangement, or other relationship with the Commission," it would be necessary to strain this language to blanket within the prohibitions those persons whose sole relationship with the Commission is a license granted by the Commission or the use under license of some special nuclear material owned by the Commission. It is the intent of section 152 to make sure that ideas and inventions which flow from Commission-financed activity do not give rise to any private patents which might be used contrary to the best interest of the public. In order to make sure that this very broad definition does not work to the detriment of both free enterprise and the public, the Commission is specifically granted the authority to "waive its claim to any such invention or discovery," if that invention or discovery has been privately financed in either licensed facilities, or in Commission facilities, as provided in section 22, or under any other circumstance which "the Commission may deem appropriate." It would be a serious misinterpretation of the intent of section 152 to turn the strength of its protective language against the stimulus which patents provide for private initiative.

Mr. Speaker, I now yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include additional material.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I am sorry to find myself in disagreement with my chairman [Mr. COLE] and my esteemed friend [Mr. DURHAM]. But I believe that it is the duty of a member of the committee to present his views upon the bill as he sees them. As I see it, the atomic energy bill, as reported by the conferees, is a worse bill in many instances than it was when it left the House. The conferees have largely sterilized the constructive amendments adopted in the House and Senate, but have retained three adverse amendments adopted by either the House or the Senate.

The three amendments retained by the conferees which render the bill far more of a threat to the public interest than the original bill are:

First. The amendment to section 164, introduced by Senator FERGUSON and adopted by the Senate, which would authorize the Atomic Energy Commission to enter into a series of contracts of the Dixon-Yates variety, opening the TVA to private power supply to an extent limited only by the total power supply which TVA is under contract to deliver to the atomic program. The AEC might conceivably replace the entire 2.9 million kilowatts it gets from TVA on the Dixon-Yates basis if granted the authority in this bill, or in the Ferguson amendment. The Dixon-Yates contract only replaces 600,000 kilowatts and leaves 2,300,000 to be replaced by similar arrangements.

Second. The amendment to section 44 introduced by Representative COLE and adopted by the House, which would preclude the AEC from selling or distributing any power not produced incident to the operation of its research, development, and production of nuclear material facilities. This effectively eliminates the Commission as an important participant in supplying atomic power to municipal and rural cooperative electric systems.

Third. The amendment to section 153 introduced by Representative COLE and adopted by the House, giving the AEC discretion to allow private patents on inventions and discoveries made or conceived under Commission contracts, subcontracts, or other arrangements; making possible reinstatement of patent applications denied under the present act; and eliminating altogether the provision for compulsory or even discretionary licensing of others to use private patents during an adjustment period, following the new act.

You will remember that the President in his February 17 speech said that it was necessary to have a 5-year compulsory patenting period in order to protect the rest of private industry from those people who have participated in the program.

The conferees left just enough of the language of constructive amendments, adopted during the debate, to mislead the people into believing that some protection would be afforded. But the substance has been effectively removed. This is particularly true of two amendments that were originally designed to incorporate the preference for public bodies and cooperatives; the new section 45 which would have established the basis for a sound Federal atomic power program; and the amendment which would have brought all licenses for atomic power development under the same regulation as applies to licensees for waterpower development.

What was done to emasculate these constructive amendments may be briefly summarized as follows:

The amendment to section 44, introduced by Representative JONES and Senator GILLETTE, providing a preference to public bodies and cooperatives in connection with the marketing of electrical energy produced in AEC facilities, was qualified by insertion of the words "insofar as practicable." Lawyers will recognize this as rendering the preference virtually unenforceable, particularly where a private company is the only electric system adjacent to the Commission's facilities.

The amendment to section 182 (c), introduced by Senator HUMPHREY, providing a preference for public bodies and cooperatives in securing licenses where conflicting applications are involved, received the same treatment. Here again, insertion of the words "insofar as practicable" left it within the discretion of the Commission to refuse to implement the preference. So the preference clause that are in the conference report are meaningless.

The amendment adding a subsection 183 (e), designed to subject atomic power licensees to the same Federal Power Commission regulation as waterpower licensees, got trimmed in the Senate before it was adopted.: It was modified to apply only to those licensees which would come under the Federal Power Act anyway as interstate utilities, and so lost its effect.

The conference damage to the two preference amendments and to the Federal atomic power program amendment is very serious in terms of Federal power policy. The insertion of "insofar as practicable" in the preference provisions would establish a dangerous precedent which could aid the administration drive to undermine this principle. In the case of the Federal atomic power program amendment, it materially reduces the chance for municipal and cooperative rural electric systems to get their share of atomic power supply without paying high rates to the neighboring private monopoly.

Fundamentally, the bill represents a complete reversal of the Federal power policy which has been evolving since the administration of President Theodore Roosevelt. In spite of some empty language taken from that power policy, it leaves atomic power development, so far as the public interest is concerned, about where water power was before enactment of the Federal Water Power Act at the end of the Wilson administration.

The Conferees also struck the heart out of the two important Senate amendments, designed to strengthen the antimonopoly provisions of the bill, including (a) Senator HUMPHREY's amendment to section 105 (c), prohibiting the Commission from issuing a license, except on a presidentially-approved finding that it is essential to defense, if the Attorney General advises that it would result in

a situation inconsistent with the antitrust laws; and (b) Senator LANGER's amendment inserting a new subsection 105 (d), providing for the possible forfeiture, in the discretion of the court, of any atomic patent found by any court of competent jurisdiction to have been intentionally used by the owner for violation of the antitrust law.

The bill as returned by the conferees is thus a thoroughly bad bill from the standpoint of farm, labor, rural electric co-op, public power and consumer organizations. It reflects the objectives of the drive of powerful private interests to oust the Federal Government from future development of the new atomic industry and take over. Provision is made for the Atomic Energy Commission to continue the real pioneering work while private capital, without assuming the risk, gets the fruits.

The conferee's product provides for an AEC setup which overweights military, as against civilian, activities. Its provisions covering patents, atomic power development, other atomic industrial development, and private exploitation of atomic source materials in public lands, play into the hands of unrestrained monopoly at every point. Its antitrust provisions are wholly inadequate. It provides for possible hidden subsidy to private power monopoly, while foreclosing AEC participation in atomic power development. It strikes out retroactively the reservation to the United States of uranium and other source materials in public lands, patented, conveyed, or leased to private interests.

The provisions which purport to implement the President's plan for international cooperation, in the peaceful use of atomic energy, actually have the opposite effect of imposing obstacles to the exercise of powers he now has to undertake the negotiation of treaties or executive agreements. The Bricker amendment distrust of the President's treaty-making powers is written into this phase of the bill. For those reasons, I am going to vote against the conference report. I have worked long and hard for several months on this bill. I want to pay tribute to the members of the committee on both sides of the aisle for the work they have done. We have worked without heat and acrimony and we have worked hard to produce a good bill. I wish I could vote for the bill, but these things weigh so heavily on my conscience, I must take the opposite position to that taken by my friend, the gentleman from North Carolina [Mr. DURHAM] and the gentleman from New York [Mr. COLE] on this matter. I realize that unless this bill is very, very carefully administered, there are giveaway provisions in it which far outweigh anything that I have known of in the past in the patent field. It is my opinion that within the next few months after the President signs this bill, private corporations and individuals who have worked for private corporations can file private patents by merely saying that they did not think of those patents while they were working on a Government contract. The Ferguson amendment provision provides for a series of 95 percent funding operations for private utilities, which is in controvention of regulations under the Private Utility Holding Company Act of 1937, which provides that private utilities shall put up at least 35 percent to 40 percent equity investment and fund the balance of it to the public on a 60 to 65 percent basis. This Dixon-Yates formula cuts that down and provides that the speculators can put up 5 percent of the total capital investment and that they can sell the bonds to the company on the basis of 95 percent. We remember what happened under the old Insull utility empire through the use of the blue-sky financing operations. In my opinion, the provisions of this act under the Dixon-Yates contract type, which is authorized and legalized by the Ferguson amendment provides a way of breaking down one of the most important prohibitions against speculative funding in private utility financing. Because of these reasons I shall vote against the bill.

CONFERENCE REPORT ON ATOMIC ENERGY LEGISLATION—STATEMENT OF CONGRESSMEN CHET HOLIFIELD AND MELVIN PRICE

AUGUST 9, 1954.

The atomic energy bill, H. R. 9757, as worked out in conference, still contains many serious defects and is disappointing to us in its final formulation. Mr. HOLIFIELD, as a conferee, withheld his vote from the conference report, and we shall not vote for the conference bill.

From the very beginning we objected strongly to tying together in a single package legislation on the domestic and international aspects of atomic energy. Not only may such single-package legislation cause our objectives in the international and domestic fields to work at cross purposes, but there is far less urgency to grant private ownership and patent rights in atomic energy than to seek ways and means of promoting peace and protecting the free world.

However, the majority did not allow Congress the opportunity to consider and vote separately the international and domestic provisions relating to atomic energy.

Attempts were made to "sell" this bill as implementing legislation for President Eisenhower's international atomic pool proposal. The President never has advised the Joint Committee on Atomic Energy or the Congress what implementing legislation is needed. Furthermore, the pending atomic energy bill, instead of preparing the way for an international atomic agency, actually ties the President's hands in negotiating agreements with other countries.

We believe the restrictive provisions of the bill relating to international atomic activities are shortsighted; they are based on the narrow, selfish, and false premise that the reservoir of atomic information lies wholly within the United States. The bill will not encourage a two-way flow of information and may deprive our Nation of the benefits of technological advances in other countries. The philosophy of this legislation is to keep the atomic pool empty.

We serve notice here and now that we will watch very carefully how the provisions of this bill are interpreted and administered by the Atomic Energy Commission. It contains no effective measures for preventing monopoly control of atomic industry. There are many legislative loopholes which can work to the advantage of the large corporations already possessing inside information in the atomic energy field.

If the Atomic Energy Commission is not zealous in protecting the public investment in atomic energy and in promoting a wide distribution of the benefits of that investment, drastic legislative action will have to be taken in the near future.

We are hopeful that a change in the congressional majority next year will cause the Congress to re-examine the atomic energy legislation, plug the loopholes against monopoly, and make it plain that the Federal Government as well as private industry should undertake to produce electrical power from atomic energy.

In failing to assert clearcut Federal responsibilities in the atomic power field, the majority have shown a timidity which will defeat their professed objective to insure American leadership in the peacetime development of atomic energy. The profit-making opportunities in atomic enterprise are years distant. Unless the United States Government strikes out boldly in a comprehensive program of reactor development and undertakes to produce and distribute electrical power derived from nuclear fission, we will soon find other countries forging rapidly ahead in this field.

We believe that the United States has arrived at a point in atomic-weapons development and production where greatly increased attention can be given to the peacetime uses of atomic energy without impairing our national security. Indeed, an effective demonstration of American leadership in developing such peacetime uses will do more to gain the friendship of other people throughout the world than any demonstration of superiority in atomic weapons.

Accordingly we propose that the United States undertake a billion dollar "crash" program for peacetime atomic-energy development to let the whole world know that we are serious about putting the atom to work for peace.

This billion-dollar program, spread over the next 5 years, would represent about five times the expenditures now planned for atomic reactor development. Compared with the $40 billion or $50 billion that we are spending yearly for military purposes, $200 million a year for the next 5 years would be a modest investment for peace and well within our budgetary capabilities. The Nation would soon receive dividends on this investment in the form of advancing technology, new industrial and employment opportunities, and substantial additions to the Nation's energy resources.

We have warned repeatedly against the danger of creating a twilight zone of inaction, where the Federal Government fails to take responsibility and private industry is not prepared to assume it. That philosophy of inertia has shown itself in the budget policies of the Eisenhower administration and in the administrative policies of the Atomic Energy Commission. The advice of the private utility lobby, which prevails in the present administration and is reflected in the atomic energy bill, is not adequate to lay the foundations of American leadership in the peacetime development of atomic energy.

The majority have been unwilling to accept an amendment which was offered to the atomic energy bill proposing to establish a division in the Atomic Energy Commission specifically devoted to civilian power application, coordinate in status with the Division of Military Application.

The majority have been unwilling to accept an amendment establishing an Electric Power Liaison Committee which would serve to integrate atomic power policies with other power policies of the Federal Government.

The majority have been unwilling to accept amendments establishing clearly and unequivocally the historic preference clause for public agencies and cooperatives in acquiring electric power from atomic sources. By the insertion of the clause "so far as practicable" the preference clause has become a legal nullity.

The majority have been unwilling to accept amendments which would provide safe-

guards in the licensing of atomic facilities similar to those now contained in the Federal Power Act.

The majority have been unwilling to prevent the abuse of the independence of the Atomic Energy Commission involved in the so-called Dixon-Yates utility contract ordered by the President. By adopting the Ferguson amendment, the majority have not only given the stamp of approval to the Dixon-Yates contract, but have invited further assaults on the TVA.

The majority have been unwilling to accept an amendment maintaining the affirmative responsibility of the Atomic Energy Commission to exercise its licensing power so as to prevent monopoly and other restraints of trade.

The majority have been unwilling to accept an amendment which would provide a seat for labor and management in the advisory councils of the Atomic Energy Commission.

The majority have been unwilling to accept amendments which would firmly insure against patent monopoly bottlenecks in the development of atomic industry. They have not followed the President's requirement of a 5-year compulsory patent licensing clause until a wider industrial participation occurs.

The majority have been unwilling to accept an amendment preserving the organizational integrity of the Atomic Energy Commission by guaranteeing that all Commissioners will have equal access to information relating to atomic affairs.

The majority have been unwilling to require the Atomic Energy Commission to make the comprehensive report to Congress contemplated in section 7 (b) of the existing act.

The majority have been unwilling to accept amendments facilitating the establishment of an international atomic agency.

Amendments along these and other lines to improve the atomic-energy bill and to protect the public interest were voted down.

Our efforts, however, have not been altogether in vain. The bill is improved over the original version.

We have prevented an effort to weaken the research responsibilities of the Atomic Energy Commission.

We have compelled some recognition of the threat of monopoly combinations.

We have obtained a few procedural safeguards for municipalities, cooperatives, and other agencies in the licensing of atomic reactors.

We have obtained some recognition of the preference rights of such agencies in the event atomic power is produced as a byproduct in Atomic Energy Commission facilities.

We have managed to keep the door open for other agencies of the Federal Government to obtain licenses for the production and distribution of electric power from atomic sources even though the Atomic Energy Commission has been barred by the majority from commercial power production.

We have prevented the Atomic Energy Commission from directly reimbursing private utilities for Federal income-tax payments, which payments were contemplated in the so-called Dixon-Yates contract.

Various other improvements were written into the bill by our efforts even before it reached the stage of amendment.

As we said at the outset, we are hopeful that a new Congress with a new mandate from the people will finish the job of legislative improvement that some of us have begun in the face of such overwhelming opposition.

The process of reexamination must be undertaken not only by the Congress but by those agencies of the executive branch that are alert to the electrical power possibilities of the atom. We must say that the Federal Power Commission has shown a great deal more concern for the public interest in this regard than the Atomic Energy Commission.

Since the Federal Power Commission already has jurisdiction in the electric power field, including responsibility for making surveys and investigations as a basis for legislative recommendations to the Congress, we will introduce a House concurrent resolution expressing the sense of Congress that the Federal Power Commission undertake such a survey project under existing authority. This report would serve to compensate for the failure of the Atomic Energy Commission to provide the Congress with the comprehensive report required under section 7 (b) of the Atomic Energy Act.

Of course we do not expect that the Congress will have time to vote upon this resolution in the closing days of the session. However, we intend to reintroduce the resolution promptly at the opening of the new session in January. In the meantime we take this means of serving notice that we do not intend to let the matter of atomic power policy fall by the wayside.

Mr. COLE of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I am in much the same position as my colleague, the gentleman from California [Mr. HOLIFIELD] on this matter. I dislike the necessity of registering opposition to this bill. It was difficult for me to vote against the bill when it was originally considered here in the House for I recognize there were avenues which needed revision to permit the implementation of the President's program for international cooperation, and particularly in the weapons field. Personally, I am not one of those who feels that this bill is at all adequate to permit the cooperation which the President may be compelled to seek in this particular field. But I could have supported the bill originally, and I would now support the conference report, were I not in such violent disagreement with the patent provisions. In that regard, I find myself pretty much in the same position as the President himself, who advocated and urged protection in this law against any possible monopolistic practices.

I want at this point to compliment the Members who served on the conference committee. I concede that they had a difficult job. I am in agreement with my colleagues Mr. DURHAM, Mr. COLE, and Mr. HOLIFIELD in expressing the opinion that the committee on both sides of the aisle did a monumental job in working on this bill over the past several months, but I have the feeling that the committee discarded a very crucial protective feature of the bill and that was the provision for compulsory licensing of patents.

STATEMENT OF CONGRESSMAN MELVIN PRICE ON PATENT PROVISIONS OF CONFERENCE BILL

In taking this unwise action, the majority of the conference committee ignored the recommendations of President Eisenhower, ignored the recommendations of the Joint Committee on Atomic Energy, ignored the recommendations of some very able patent attorneys, and rejected the decision of the other body.

When President Eisenhower submitted a message to the Congress on February 17 of this year, proposing certain amendments to the Atomic Energy Act, he said that it was necessary to continue "for a limited period the authority to require a patent owner to license others to use an invention essential to the peacetime applications of atomic energy".

The President was proposing, in other words, that a system of compulsory licensing of patents be established to prevent any patent holder from imposing a monopoly bottleneck on the development of atomic energy. In elaborating his proposal, the President said:

"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."

The Joint Committee on Atomic Energy, in working out the detailed provisions of the atomic energy bill, took heed of the President's recommendation. Provisions for compulsory licensing of patents for a 5-year period were written into the bill. The Committee report said in this context:

"We are mindful of the fact that in the immediate future, relatively few firms may be involved in this effort. We acknowledge that dangers of restrictive patent practices are present, though not inherent, in such a situation. Accordingly, we recommend to the Congress that holders of patents on inventions of primary importance to the peacetime uses of atomic energy be required to license such patents to others in return for fair royalties. This requirement of compulsory licensing will apply to all patents in the field which are sought in the next 5 years. (83d Cong., 2d sess., H. Rept. No. 2181, p. 9.)"

Although Congressman HOLIFIELD and I, in a separate statement of our views on the committee bill, criticized the restrictions that were written around the compulsory-licensing provisions, nevertheless we felt that the principle of accessibility to patents at least had been recognized and we commended the committee majority for accepting it. Unfortunately the House majority threw out those compulsory patent licensing provisions and adopted the Cole amendment instead. The other body, in contrast, accepted the compulsory patent licensing provisions and went a step further by adopting the Kerr amendment extending the period of such licensing to 10 years.

The conference committee version contains the Cole amendment with a modification to the effect that the Atomic Energy Commission would give preferred consideration for commercial licenses in the next 5 years to those applicants who agree to make their licenses available to other Commission licensees upon demonstration of need and payment of reasonable royalties.

The conference language on patents is a makeshift. It would not guarantee access to patents. There is no reason to suppose that any industrial applicant would make such agreement, in which case the preference provision would be meaningless. Furthermore, the Commission is not compelled to give preferred consideration to license applicants in the research and development field under section 104 (b). The mandatory preference applies only to applicants under section 103, and it is doubtful that any licenses would be granted under this section within the 5-year period of the preference conditions. Finally, it is too much to expect that license applicants would agree as a general proposition to make licensing concessions regarding patents long in advance of specific requests by those seeking access to the patent.

I regret to say that the conferees, in adopting this makeshift and meaningless patent language, placed an insurmountable obstacle in the way of my voting for the conference bill.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Speaker, while I am a member of the Joint Committee on Atomic Energy, I was not a member of the conference committee on this bill.

I do feel that the conference report should be adopted. It happens that when we first began to legislate on the subject of atomic energy, the legislation was referred to the former Committee on Military Affairs, of which I was a member. I therefore know thoroughly that the existing Atomic Energy Act was written in an atmosphere of hysteria; that we were not able to get the type of consideration which a bill of that nature should have had. That is easily understandable, because it was so soon after the explosion of the first atomic bomb. As a matter of fact, the atmosphere was such that the normal committee processes of the other body could not function; and a special committee had to be appointed in the other body, which finally wrote the legislation.

This bill has been under consideration by the joint committee for a little more than a year, and has come here after having gone through the processes of legislation and through a conference committee. I am positive that at no time in the reasonably near future, certainly not for a period of years and perhaps never, will it be possible to get a unanimous report on a bill affecting atomic energy, and particularly the participation of private industry in the atomic program.

I do not think there is anything in this bill that should cause concern on the part of any Member of the House. I think it has been prepared with due care. While I appreciate the fact that there are circumstances involved in this legislation which will prevent some from voting for it, I think a vast majority of the Members of the House are thoroughly justified in voting for this conference report.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, in order to set at rest the thoughts on the part of some Members of the House and various members of the press that there is anything in this bill or that there was anything in this bill before, that precluded Government agencies other than the Atomic Energy Commission, from going into the business of the production of electric power through the use of atomic energy, that simply is not so.

There is nothing to preclude an agency of Government from going into this business if it is otherwise qualified.

I want to say for the benefit of the Members of the House that this business of producing power from atomic energy is something of tremendous size. It means a plant of tremendous size. The people who deal in reactor techniques think that a reactor producing 250,000 to 300,000 kilowatts is probably in the future an economic size of reactor.

Those who talk about putting an REA into the business do not quite realize the nature of reactors. An REA, if it used atomic energy at all, would probably use what they call a package reactor which would produce at very high cost per kilowatt, and therefore probably would not be used at all. REA's, as I understand them, usually operate on from 10,000 to 15,000 or 20,000 kilowatts and not 250,000 to 300,000 kilowatts.

So, Mr. Speaker, this bill is designed to promote eventually such things as the production of electric power from atomic heat, and other peaceful uses and peaceful arts in connection with atomic energy.

I am glad that we have come to the end of the consideration of the bill. I trust it will receive unanimous support of all present or, I might say, as nearly unanimous support as possible to show that we have dealt with this subject for the time being in a way that is thoroughly satisfactory to everyone concerned. In the meantime we, and in turn the public, should realize that this act can be amended at any time if it is found that it is in anywise wrong or fails to accomplish its purpose.

Mr. COLE of New York. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, in concluding the discussion of this bill, which to my mind is of transcendant importance, I feel impelled to express very briefly and entirely inadequately a thought or two on the general subject involved.

We all know, of course, that atoms have been with us from the time of creation. It was only recently, however, that man has learned to split the atom and how to wed the atom, and in that act bring about terrific force and terrific energy. It was about 9 years ago—exactly 9 years ago this month, that this new force was used in warfare when the two bombs were dropped in Japan causing casualties amounting to approximately 150,000 human beings. Since that time the efforts of this Government have been directed toward improving the use of this great force for weapon purposes, but that effort was required, not because of any desire on the part of this Government to maim and kill and to destroy, but because of the conditions in the world. It was announced at the very beginning and has been reiterated continuously since that our effort in this direction has been toward creating a stockpile of atomic weapons that could be used against Communist aggression, against the threat of invasion of free people wherever it might become advisable or necessary.

Weapons have been improved. The expression is now used that the weapon of Nagasaki and Hiroshima used 9 years ago is now outmoded and called a "model T." They have become bigger, bigger, and ever bigger. All this has been done to the point where the world now lives in mortal constant and continuous fear of atomic energy. The hearts of the people in this country and people throughout the world are distraught and discouraged and filled with despair as they contemplate the future with nothing involving the use of the atom except death and destruction.

The appeal of this bill, as I view it, is that the door to a different use of the atom is about to be opened. When that door is opened, it will prove the fact that there is nothing essentially or inherently sinister, baneful, or evil in atomic energy; there is nothing wrong or sinful in the energy itself; as a matter of fact lightning is more baneful and sinister than atomic energy because we cannot predetermine where or when it will strike nor what the consequences will be. Not so with atomic energy.

The effects of this new energy, whether it is directed to the destruction of man or for the creation of good, depends upon the hearts of the people who control that energy. We have learned that this energy can be controlled. The experts have indicated that through the control of this energy a field of unlimited possibilities is laid before us. This bill, Mr. Speaker, is the key to that door, opening into an Elysian era of unknown proportion.

I am confident that those Members of this body who vote for this bill today, if they could remain Members of this House 25 years from now, possibly 50 years from now, will, in looking back over their record, point to this one vote as being the outstanding one of their entire career. At long last the bright hope of the future is being lighted by making available for the use of man this new force, not only for generating electricity but for improving the bodies of people, for making the things that people want and need, the absence of which are the causes of war itself.

For my own part, and I am sure this feeling is shared by all members of the joint committee whether they vote for or against this conference report, our goal has been the same; we are proud of the part we have played in this effort to make the use of this energy available to mankind, not only for this country but for people throughout the world, for good, for creation, rather than for devastation. We can now begin to turn from fear to hope, from despair to delight, from destruction to creation, from being animals of the jungle to creatures of God. Only the future and the hearts of men will determine the eventual outcome.

The detailed arguments and discussions, the debates which have gone on about patents, public power, and other important matters of national policy have tended to conceal the really major contribution which this bill will make. As important as atomic weapons and thermonuclear weapons are to the defense of our country, they can do no more than preserve the uneasy peace of the cold war. The NATO and international exchange provisions of the bill will go a long way toward insuring the absence of an all-out holocaust. But the real contribution of this bill lies in the promise it offers for a way to bring the cold war itself to an end. Most of the evils of the world have their roots in misery, hunger, and want. The peacetime applications of atomic energy can

do much to destroy these roots of war. Cheap atomic power for the underdeveloped nations of the world can make men more resistant to the evil ideas contained in any form of totalitarian government Radioactive isotopes offer the world its first real hope for raising world food production to a level adequate to bring hunger to a halt. The fields, the forests, and even the oceans themselves can be made to supply a good life for all people. The great strides which have already been made in the war against cancer and many, many other scourges of mankind do no more than show the way toward the elimination of the physical and mental ills from which mankind has suffered too long.

No legislative act of any Congress can bring utopia to our people or to any part of the world. But if there was ever a bill passed by any Congress which brought utopia nearer, which freed men's minds to work for human betterment, which promised not to win war but to eliminate war, this is such a bill. We should all be proud of the fact that despite our constant vigilance in military matters, we have found time and have had the vision to take these steps toward a better future. The absence of war itself is certainly to be worked for, but we cannot rest until the cold war itself has been replaced by a prosperous and healthy free world in which the roots of war no longer exist.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. COLE of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

FILING OF CONFERENCE REPORT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the conferees on the bill H. R. 8152 may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

POSTAL PAY RAISE INCREASE

Mr. CRETELLA. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, to revise and extend my remarks, and that they may appear after the vote today on the postal pay increase bill.

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

There was no objection.

MODERNIZATION AND IMPROVEMENT OF MERCHANT-TYPE VESSELS

Mr. TOLLEFSON submitted a conference report and statement on the bill (S. 3546) to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense.

MUTUAL SECURITY ACT OF 1954

Mr. VORYS. Mr. Speaker, I call up the conference report on the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, is this the proper point to reserve a point of order against the conference report?

The SPEAKER. It is.

Mr. GROSS. The gentleman from Iowa then wishes to reserve a point of order against the conference report and to be recognized on that point of order at the proper time.

The SPEAKER. The gentleman reserves a point of order and he may be recognized when the statement is read.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2637)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, 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 this Act may be cited as the 'Mutual Security Act of 1954.'

"TITLE I—MUTUAL DEFENSE ASSISTANCE

"Chapter 1. Military assistance

"SEC. 101. Purpose of chapter: The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common defense. The Congress hereby finds that the efforts of the United States and other nations to promote peace and security require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. It is the purpose of this chapter to authorize measures in the common defense, including the furnishing of military assistance to friendly nations and international organizations in order to promote the foreign policy, security, and general welfare of the United States and to facilitate the effective participation of such nations in arrangements for individual and collective self-defense. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion.

"The Congress reaffirms its previous expressions favoring the creation by the free peoples of the Far East and the Pacific of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence.

"The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

"SEC. 102. General authority: Military assistance may be furnished under this chapter on a grant or loan basis and upon such other appropriate terms as may be agreed upon, by the procurement from any source and the transfer to eligible nations and international organizations of equipment, materials, and services or by the provision of any service, including the assignment or detail of members of the Armed Forces and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a noncombatant nature, including military training or advice.

"SEC. 103. Authorizations: (a) There is hereby authorized to be appropriated to the President, in addition to appropriations authorized by section 104, not to exceed $1,270,000,000, to carry out the purpose of this chapter; and, in addition, unexpended balances of appropriations for military assistance under each paragraph of the Mutual Security Appropriation Act, 1954 (including the appropriation for mutual special weapons planning), are hereby authorized to be continued available for the purpose of this chapter and to be consolidated with the appropriation authorized by this subsection; all of which is hereby authorized to be continued available through June 30, 1955.

"(b) Funds made available pursuant to subsection (a) of this section shall be available for the administrative and operating expenses of carrying out the purpose of this chapter including expenses incident to United States participation in international security organizations.

"(c) Funds made available pursuant to subsection (a) of this section may be used for the procurement of equipment or materials outside the United States unless the President determines that such procurement will result in one or more of the following conditions:

"(1) Adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the strategic and logistic advantages to the United States of procurement abroad;

"(2) Production of such equipment or materials outside the United States under inadequate safeguards against sabotage or the release to potential enemies of information detrimental to the security of the United States;

"(3) Unjustifiable cost in comparison with procurement in the United States, taking into account transportation costs for delivery overseas; and

"(4) Delays in delivery incompatible with United States defense objectives.

"SEC. 104. Infrastructure: (a) The President is authorized to make contributions to infrastructure programs of the North Atlantic Treaty Organization, in accordance with agreements already made between the member nations, out of funds made available pursuant to this section, or section 103, or chapter IX of the Supplemental Appropriation Act, 1953, of amounts totaling not more than $780,000,000, less amounts already contributed for such purpose. There is hereby authorized to be appropriated to the President for such purpose, in installments prior to June 30, 1958, not to exceed $321,000,000, to remain available until expended. Such contributions by the United States shall not exceed its proportionate share, as heretofore agreed upon, of the expenses of such programs.

"(b) When the President determines that it is in the interest of the security of the United States to participate in programs for the acquisition or construction of facilities in foreign nations for collective defense other than programs of the North Atlantic Treaty Organization, he may use for such purpose funds made available under section 103 or local currencies made available under section 402 in amounts totaling not more than $50,000,000.

"(c) Notwithstanding section 501 of this Act, no funds other than those referred to in subsections (a) and (b) of this section may be expended for the purposes of this section. No funds shall be expended under this section for rental or purchase of land or for payment of taxes.

"SEC. 105. Conditions applicable to military assistance: (a) Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

"(b) In addition to the authority and limitations contained in the preceding subsection, the following provisions shall apply to particular areas:

"(1) In order to promote an integrated defense of the North Atlantic area and to support concrete measures for political federation, military integration, and economic unification in Europe, equipment and materials of the value programed for fiscal years 1954 and 1955 for nations signing the treaty constituting the European Defense Community shall, pending the coming into force of the treaty, be delivered only to such of these nations as have ratified the treaty, and have joined together in or are developing collective defense programs in a manner satisfactory to the United States as determined by the President.

"(2) Military assistance furnished to any nation in the Near East, Africa, and South Asia to permit it to participate in the defense of its area shall be furnished only in accordance with plans and arrangements which shall have been found by the President to require the recipient nation to take an important part therein.

"(3) In furnishing military assistance in the Far East and the Pacific and in carrying out the provisions of section 121 of this Act, the President shall give the fullest assistance, as far as possible directly, to the free peoples in that area, including the Associated States of Cambodia, Laos, and Vietnam, in their creation of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties, and to protect their security and independence.

"(4) Military assistance may be furnished to the other American Republics only in accordance with defense plans which shall have been found by the President to require the recipient nation to participate in missions important to the defense of the Western Hemisphere.

"(c) The Secretary of Defense shall insure that the value (as determined pursuant to section 545) of equipment, materials, and services heretofore furnished under military assistance programs authorized by Acts repealed by this Act or hereafter furnished pursuant to section 103 (a) to nations or organizations in each of the four areas named in this subsection shall not exceed the total of the funds heretofore made available for military assistance in that area pursuant to Acts repealed by this Act plus the amount herein specified for that area:

"(1) In the European area (excluding Greece and Turkey), $617,500,000.

"(2) In the Near East (including Greece and Turkey), Africa, and South Asia, $181,200,000.

"(3) In the Far East and the Pacific, $583,600,000.

"(4) In the Western Hemisphere, $13,000,000.

"(d) Whenever the President determines it to be necessary for the purpose of this title, equipment, materials, and services of a value not to exceed 15 per centum of the sum of (1) that portion of the unexpended balances referred to in section 103 (a) which was available on June 30, 1954, to furnish assistance in any of the areas named in subsection (c) of this section, and (2) the amount specified in the applicable paragraph of subsection (c) of this section for additional assistance in such area, may be furnished in any other such area or areas, notwithstanding the limitations set forth in subsection (c) of this section. Funds heretofore obligated or programed or hereafter made available solely for the purpose of section 104 (pertaining to infrastructure) shall not be included in the total fixed for each such area. Funds heretofore appropriated for military assistance in a particular geographic area but transferred from such use under section 513 of the Mutual Security Act of 1951, as amended, or under section 408 (c) of the Mutual Defense Assistance Act, shall be included in the total for the area for the benefit of which such transfer was made, and not in the total for the area from which the transfer was made.

"SEC. 106. Sale of military equipment, materials, and services: (a) The President may, in order to carry out the purpose of this chapter, sell or enter into contracts (without requirement for charge to any appropriation or contract authorization) for the procurement for sale of equipment, materials, or services to any nation or international organization: *Provided*, That prior to the transfer of any such equipment, materials, or services to any nation which has not signed an agreement under section 142 of this Act or joined with the United States in a regional collective defense arrangement, the President shall have received commitments satisfactory to him that such equipment, materials, or services are required for and will be used by such nation solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area of which it is a part, or in collective security arrangements and measures consistent with the Charter of the United Nations, and that it will not undertake any act of aggression against any other state.

"(b) Whenever equipment or materials are sold from the stocks of or services are rendered by any United States Government agency to any nation or international organization as provided in subsection (a), such nation or international organization shall first make available the fair value, as determined by the President, of such equipment, materials, or services before delivery or, when the President determines it to be in the best interests of the United States, within sixty days thereafter or, as determined by the President, within a reasonable period not to exceed three years. The fair value for the purpose of this subsection shall not be less than the value as defined in subsection (h) of section 545: *Provided*, That with respect to excess equipment or materials the fair value may not be determined to be less than (i) the minimum value specified in that subsection plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater. Before a contract for new production is entered into, or rehabilitation work is undertaken, such nation or international organization shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract or the cost of such rehabilitation which will assure the United States against any loss on the contract or rehabilitation work, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract or the rehabilitation work in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract or rehabilitation work.

"(c) Sections 105, 141, and 142 shall not apply with respect to assistance furnished under this section.

"SEC. 107. Waivers of law: (a) The President may perform any of the functions authorized under this chapter without regard to (1) the provisions of title 10, United States Code, section 1262 (a), and title 34, United States Code, section 546 (e); and (2) such provisions as he may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

"(b) Notwithstanding the provisions of Revised Statutes 1222 (10 U. S. C. 576), personnel of the Department of Defense may be assigned or detailed to any civil office for the purpose of enabling the President to furnish assistance under this Act.

"SEC. 108. Transfer of military equipment to Japan: In addition to any program of military assistance for which funds may be appropriated pursuant to this Act, the President is hereby authorized to transfer to the Government of Japan, until June 30, 1955, upon such terms and conditions as he may specify, and upon its request, United States military equipment and supplies programed for Japan to meet its internal security requirements for which Department of Defense appropriations were obligated prior to July 1, 1953. No appropriation shall be requested to replace the military equipment and supplies so transferred, and no funds heretofore or hereafter appropriated for the purpose of this chapter shall be available for reimbursement to any United States Government agency on account of any transfer made pursuant to this section.

"Chapter 2—Southeast Asia and the Western Pacific, and direct forces support

"SEC. 121. Southeast Asia and the Western Pacific: There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of

funds, as he may specify, not to exceed $700,000,000 for expenses necessary for the support of the forces of nations in the area of Southeast Asia, including the furnishing, as far as possible, of direct assistance to the Associated States of Cambodia, Laos, and Vietnam as well as to the forces of other free nations in the area including those of France located in such Associated States and for other expenditures to accomplish in Southeast Asia and the Western Pacific the policies and purposes declared in this Act. In addition, the unexpended balances of funds allocated from appropriations made pursuant to sections 304 and 540 of the Mutual Security Act of 1951, as amended, for the purpose of support of the forces of the Associated States of Cambodia, Laos, and Vietnam and the forces of France located in the Associated States, are hereby authorized to be continued available for the purpose of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section. Assistance under this section shall be made available subject to the provisions of sections 141 and 142, except that (1) in the case of assistance to the Associated States of Cambodia, Laos, and Vietnam, and (2) in the case of assistance (not to exceed in the aggregate 10 per centum of the amount appropriated pursuant to this section, excluding unexpended balances of prior appropriations) to other nations, the President may waive specific provisions of section 142 to the extent he may deem necessary in the national interest to carry out the purposes of this Act. The President or such officer as he may designate shall report each instance of such waiver to the Foreign Relations, Appropriations, and Armed Services Committees of the Senate and the Foreign Affairs, Appropriations, and Armed Services Committees of the House of Representatives within thirty days.

"It is the sense of the Congress that no part of the funds appropriated under this section shall be used on behalf of governments which are committed by treaty to maintain Communist rule over any defined territory of Asia.

"SEC. 122. Production for forces support: There is hereby authorized to be appropriated to the President for the fiscal year 1955, to be made available on such terms and conditions, including transfer of funds, as he may specify, not to exceed $35,000,000 for manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area. In addition, unexpended balances of appropriations made pursuant to section 102 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for their original purposes through June 30, 1955, and the unexpended balance of the appropriation made pursuant to the second clause of that section is authorized to be consolidated with the appropriation authorized by this section.

"SEC. 123. Common use items: There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $60,000,000 for the provision of any common-use equipment, materials, commodities, or services which are to be used by military forces of nations receiving assistance under chapter 1 of this title. Programs authorized by this section shall be administered in accordance with the provisions of chapter 1 or chapter 3 of this title.

"Chapter 3—Defense support

"SEC. 131. General authority: (a) The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under chapter 1 of this title, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance designed to sustain and increase military effort. In furnishing such assistance, the President may provide for the procurement and transfer from any source of any commodity or service (including processing, storing, transporting, marine insurance, and repairing) or any technical information and assistance.

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 to carry out the provisions of this section, not to exceed—

"(1) $46,000,000 for Europe (excluding Greece and Turkey);

"(2) $73,000,000 for the Near East (including Greece and Turkey), Africa, and South Asia; and

"(3) $80,098,195 for the Far East and the Pacific.

In addition, unexpended balances of appropriations heretofore made pursuant to section 541 of the Mutual Security Act of 1951, as amended, are hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized for the same area by this subsection: *Provided*, That portions of such unexpended balances which have been allocated for assistance for Greece and Turkey shall be consolidated with the appropriation authorized by paragraph (2) of this subsection.

"SEC. 132. Korean program: (a) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $205,000,000 to be expended, upon terms and conditions specified by the President, for defense support, relief and rehabilitation, and other necessary assistance (including payment of ocean freight charges on shipments for relief and rehabilitation, without regard to section 409 of this Act) in those parts of Korea which the President shall have determined to be not under Communist control. In addition, unexpended balances of funds heretofore allocated for the purpose of relief and rehabilitation in Korea pursuant to the paragraph entitled "Relief and Rehabilitation in Korea", chapter VII, Supplemental Appropriation Act, 1954, and unobligated balances of the appropriation for "Civilian Relief in Korea", title III, Department of Defense Appropriation Act, 1954, are hereby authorized to be continued available for the purposes of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized by this subsection.

"(b) (1) Notwithstanding the provisions of any other law, the President is authorized, at any time prior to twenty-four months from the date of enactment of this Act, to transfer to the Republic of Korea, by sale or charter and on such terms and conditions as he may specify, not more than eight C1-M-AV1 vessels. Any agency of the United States Government owning or operating such vessels is authorized to make such vessels available for the purpose of this subsection: *Provided*, That if after investigation it is determined by the President that there are privately owned C1-M-AV1 vessels offered and available for sale by American citizens as defined in section 2 of the Shipping Act, 1916, as amended, at prices equal to or less than those provided for in subsection (b) (2) below, such vessels shall be acquired by an owning or operating agency designated by the President for the purpose of this subsection. Funds made available pursuant to subsection (a) of this section shall be available for the purpose of this subsection.

"(2) Such transfers shall be made at prices determined under section 3 of the Merchant Ship Sales Act of 1946 (50 U. S. C., App. 1736): *Provided*, That such vessels shall be placed in class in accordance with minimum requirements of the American Bureau of Shipping by the owning or operating agency, and the expense of placing in class shall be reimbursed to such agency.

"(c) There is hereby authorized to be appropriated for the fiscal year 1955 not to exceed $3,452,615 for making contributions to the United Nations Korean Reconstruction Agency or expenditure through such other agency for relief and rehabilitation in Korea as the President may direct. In addition, the unexpended balance of the appropriation made pursuant to the last sentence of section 303 (a) of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized by this subsection. Sections 141 and 142 of this act shall not apply with respect to assistance furnished under this subsection.

"(d) To the extent necessary to accomplish the purposes of this section (1) assistance may be furnished under this section without regard to the other provisions of this title and (2) the authority provided in section 307 may be exercised in furnishing assistance under subsection (a) of this section.

"Chapter 4—General provisions relating to mutual defense assistance

"SEC. 141. Conditions of eligibility for assistance: No assistance shall be furnished under this title to any nation or organization unless the President shall have found that furnishing such assistance will strengthen the security of the United States and promote world peace. No such assistance shall be furnished to a nation unless it shall have agreed to the provisions required by section 142, and such additional provisions as the President deems necessary to effectuate the policies and provisions of this title and to safeguard the interests of the United States.

"SEC. 142. Agreements: No assistance shall be furnished to any nation under this title unless such nation shall have agreed to—

"(1) join in promoting international understanding and good will, and maintaining world peace;

"(2) take such action as may be mutually agreed upon to eliminate causes of international tension;

"(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

"(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;

"(5) take all reasonable measures which may be needed to develop its defense capacities;

"(6) take appropriate steps to insure the effective utilization of the assistance furnished under this title in furtherance of the policies and purposes of this title;

"(7) impose appropriate restrictions against transfer of title to or possession of any equipment and materials, information, or services furnished under chapter 1 of this title, without the consent of the President;

"(8) maintain the security of any article, service, or information furnished under chapter 1 of this title;

"(9) furnish equipment and materials, services, or other assistance consistent with the Charter of the United Nations, to the United States or to and among other nations to further the policies and purpose of chapter 1 of this title;

"(10) permit continuous observation and review by United States representatives of programs of assistance authorized under this title, including the utilization of any such assistance, or provide the United States with full and complete information with respect

to these matters, as the President may require; and

"(11) in cases where any commodity is furnished on a grant basis under any provision of this Act other than chapter 1 of title I under arrangements which will result in the accrual of proceeds to the recipient nation from the import or sale thereof, establish a Special Account, and—

"(i) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds;

"(ii) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided,* That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

"(iii) utilize the remainder of the Special Account for programs agreed to by the United States to carry out the purposes for which new funds authorized by this Act would themselves be available.

Any unencumbered balances of funds which remain in the Account upon termination of assistance to such nation under this Act shall be disposed of for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed to between such country and the Government of the United States.

"TITLE II—DEVELOPMENT ASSISTANCE

"SEC. 201. Authorization: (a) There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed—

"(1) $115,000,000 for assistance designed to promote the economic development of the Near East and Africa, and for other types of assistance designed to help maintain economic and political stability in the area;

"(2) $75,000,000 for assistance designed to promote the economic development of South Asia and to assist in maintaining economic and political stability in the area; and

"(3) $9,000,000 for assistance designed to promote economic development in the other American Republics and non-self-governing territories of the Western Hemisphere.

Such assistance may be furnished on such terms and conditions as the President may specify, except that 30 per centum of the funds appropriated pursuant to this subsection shall be available only for furnishing assistance on terms of repayment in accordance with section 505.

"(b) In addition, unexpended balances of appropriations heretofore made pursuant to sections 206 and 302 (b) of the Mutual Security Act of 1951, as amended, and unexpended balances of funds allocated to the emergency economic aid program for Bolivia are hereby authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriations authorized by paragraphs (1), (2), and (3) of subsection (a) of this section, respectively.

"SEC. 202. Administration: Except as necessary to accomplish the purposes of section 201, programs of assistance authorized by that section shall be administered in accordance with sections 303 and 308 (relating to technical cooperation).

"TITLE III—TECHNICAL COOPERATION

"SEC. 301. Declaration of purpose: It is the policy of the United States and the purpose of this title to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

"SEC. 302. General authority and definition: the President is authorized to furnish assistance in accordance with the provisions of this title through bilateral technical cooperation programs. As used in this title, the term 'technical cooperation programs' means programs for the international interchange of technical knowledge and skills designed to contribute primarily to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. Such activities shall be limited to economic, engineering, medical, educational, labor, agricultural, forestry, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources, productive capacities, and trade of economically underdeveloped areas, and training in public administration. The term 'technical cooperation programs' does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) as are not primarily related to economic development, nor activities undertaken now or hereafter pursuant to the International Aviation Facilities Act (62 Stat. 450), nor activities undertaken now or hereafter in the administration of areas occupied by the United States Armed Forces.

"SEC. 303. Prerequisites to assistance: Assistance shall be made available under section 302 of this Act only where the President determines that the nation being assisted—

"(a) pays a fair share of the cost of the program;

"(b) provides all necessary information concerning such program and gives the program full publicity;

"(c) seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that nation;

"(d) endeavors to make effective use of the results of the program; and

"(e) cooperates with other nations participating in the program in the mutual exchange of technical knowledge and skills.

"SEC. 304. Authorization: There is hereby authorized to be appropriated to the President for the fiscal year 1955, $88,570,000 for technical cooperation programs in the Near East, Africa, South Asia, and Far East and Pacific, and $28,500,000 for such programs in Latin America. In addition, unexpended balances of appropriations heretofore made pursuant to section 543 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized by this section.

"SEC. 305. Limitation on use of funds: Funds made available under section 304 may be expended to furnish assistance in the form of equipment or commodities only where necessary for instruction or demonstration purposes.

"SEC. 306. Multilateral technical cooperation: As one means of accomplishing the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, their related organizations, and other international organizations, wherever practicable. There is hereby authorized to be appropriated to carry out the purpose of this section, in addition to the amounts authorized by section 304, not to exceed—

"(a) $17,958,000 for making contributions to the United Nations Expanded Program of Technical Assistance;

"(b) $1,500,000 for making contributions to the technical cooperation program of the Organization of American States.

"SEC. 307. Advances and grants; contracts: The President may make advances and grants-in-aid of technical cooperation programs to any person, corporation, or other body of persons or to any foreign government agency. The President may make and perform contracts and agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency. A contract or agreement which entails commitments for the expenditure of funds appropriated pursuant to this title may, subject to any future action of the Congress, run for not to exceed three years.

"SEC. 308. International Development Advisory Board: There shall be an advisory board, referred to in this section as the 'Board', which shall advise and consult with the President, or such other officer as he may designate to administer this title, with respect to general or basic policy matters arising in connection with the operation of programs authorized by this title, title II, and section 413 (b). The Board shall consist of not more than thirteen members appointed by the President, one of whom, by and with the advice and consent of the Senate, shall be appointed by him as chairman. The members of the Board shall be broadly representative of voluntary agencies and other groups interested in the programs, including business, labor, agriculture, public health, and education. All members of the Board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any United States Government agency) who as such regularly receives compensation for current services. Members of the Board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purpose of this title a per diem allowance of $50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the Board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"TITLE IV—OTHER PROGRAMS

"SEC. 401. Special fund: Of the funds made available under this Act, not to exceed $150,000,000 may be used in any fiscal year, without regard to the requirements of this Act or any other Act for which funds are authorized by this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States. Not to exceed $100,000,000 of the funds available under this section may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany and Austria, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States. Certification by the President that he has expended amounts under this section not in excess of $50,000,000, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for such amounts. Not more than $20,000,000 of the funds available under this section may be allocated to any one nation in any fiscal year.

"SEC. 402. Earmarking of funds: Of the funds authorized to be made available pursuant to this Act not less than $350,000,000 shall be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section.

"SEC. 403. Special assistance in joint control areas: The President is hereby authorized to furnish commodities, services, and financial and other assistance to nations and areas for which the United States has responsibility as a result of participation in joint control arrangements where found by the President to be in the interest of the security of the United States. There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $25,000,000 to carry out this section.

"SEC. 404. Responsibilities in Germany: Upon approval by the Secretary of State, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany (or any supplementary or succeeding agreement) shall be deposited in the GARIOA (Government and Relief in Occupied Areas) Special Account under the terms of article V of that agreement, and currency which has been or may be deposited in said account, and any portion of funds made available for assistance to the Federal Republic of Germany pursuant to section 403 of this Act, may be used for expenses necessary to meet the responsibilities or objectives of the United States in Germany, including responsibilities arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany. Expenditures may be made under authority of this section in amounts and under conditions determined by the Secretary of State after consultation with the official primarily responsible for administration of programs under chapter 3 of title I, and without regard to any provision of law which the President determines must be disregarded in order to meet such responsibilities or objectives.

"SEC. 405. Movement of migrants and refugees: (a) The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of migrants, there is hereby authorized to be appropriated not to exceed $11,189,190 for contributions during the calendar year 1955 to the Intergovernmental Committee for European Migration, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee. In addition, the unexpended balance of the appropriation made pursuant to section 534 of the Mutual Security Act of 1951, as amended, is hereby authorized to be continued available for the purpose of this subsection through June 30, 1955, and to be consolidated with the appropriation authorized in this subsection.

"(b) Of the funds made available under this Act, not more than $800,000 may be used by the President to facilitate the migration to the other American Republics of persons resident in that portion of the Ryukyu Island Archipelago under United States control.

"(c) There is hereby authorized to be appropriated for the fiscal year 1955 not to exceed $500,000 for contributions to the United Nations Refugee Emergency Fund.

"SEC. 406. Children's welfare: There is hereby authorized to be appropriated not to exceed $13,500,000 for contributions during the fiscal year 1955 to the United Nations Children's Fund.

"SEC. 407. Palestine refugees in the Near East: There is hereby authorized to be appropriated to the President for the fiscal year 1955, not to exceed $30,000,000, to be used to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East. In addition, the unexpended balance of the appropriation made for the Palestine refugee program in the Mutual Security Appropriation Act, 1954, is hereby authorized to be continued available for the purpose of this section through June 30, 1955. Whenever the President shall determine that it would more effectively contribute to the relief, rehabilitation, and resettlement of Palestine refugees in the Near East, he may expend any part of the funds made available pursuant to this section through any other agency he may designate.

"SEC. 408. North Atlantic Treaty Organization: (a) In order to provide for United States participation in the North Atlantic Treaty Organization, there is hereby authorized to be appropriated for the fiscal year 1955 not to exceed $3,200,000 for payment by the United States of its share of the expenses of the Organization, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its share of the expenses of the Organization and all necessary salaries and expenses of the United States permanent representative to the Organization, or such persons as may be appointed to represent the United States in the subsidiary bodies of the Organization or in any multilateral organization which participates in achieving the aims of the North Atlantic Treaty, and of their appropriate staffs, and the expenses of participation in meetings of such organizations, including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801), and allowances and expenses as provided in section 6 of the Act of July 30, 1946 (22 U. S. C. 287r).

"(b) The United States permanent representative to the North Atlantic Treaty Organization shall be appointed by the President by and with the advice and consent of the Senate and shall hold office at the pleasure of the President. Such representative shall have the rank and status of ambassador extraordinary and plenipotentiary and shall be a chief of mission, class 1, within the meaning of the Foreign Service Act of 1946, as amended (22 U. S. C. 801).

"(c) Persons detailed to the international staff of the North Atlantic Treaty Organization in accordance with section 529 of this Act who are appointed as Foreign Service Reserve officers may serve for periods of more than four years notwithstanding the limitation in section 522 of the Foreign Service Act of 1946, as amended (22 U. S. C. 922).

"SEC. 409. Ocean freight charges: (a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in nations and areas eligible for assistance under this Act, the President may pay ocean freight charges from United States ports to designated ports of entry of such nations and areas on shipments by United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid and shipments by the American Red Cross.

"(b) Where practicable the President shall make arrangements with the receiving nation for free entry of such shipments and for the making available by that nation of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving nation to the designated shipping point of the consignee.

"(c) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $4,400,000 to carry out the purposes of this section; and, in addition, unexpended balances of appropriations heretofore made pursuant to section 535 of the Mutual Security Act of 1951, as amended, are authorized to be continued available for the purposes of this section through June 30, 1955, and to be consolidated with the appropriation authorized in this section.

"(d) In addition, any funds made available under this Act may be used, in amounts determined by the President, to pay ocean freight charges on shipments of surplus agricultural commodities, including commodities made available pursuant to any Act for the disposal abroad of United States agricultural surpluses.

"SEC. 410. Control act expenses: There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $1,300,000 for carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U. S. C. 1611). In addition, in accordance with section 303 of that Act, funds made available for carrying out chapter 1 of title I of this Act shall be available for carrying out the purpose of this section in such amounts as the President may direct.

"SEC. 411. Administrative expenses: (a) Whenever possible, the expenses of administration of this Act shall be paid for in the currency of the nation where the expense is incurred.

"(b) There is hereby authorized to be appropriated to the President for the fiscal year 1955 not to exceed $34,700,000 for all necessary administrative expenses incident to carrying out the provisions of this Act other than chapter 1 of title I, including expenses for compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, and, without regard to the provisions of any other law, for printing and binding, and for expenditures outside the continental limits of the United States for the procurement of supplies and services and for other administrative purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

"SEC. 412. Chinese and Korean students: Funds heretofore allocated to the Secretary of State pursuant to the last proviso of section 202 of the China Area Aid Act of 1950 (22 U. S. C. 1547) shall continue to be available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China and of Korea for studying or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State

for the purpose, or for research and related academic and technical activities in the United States, and such selected citizens of China who have been admitted for the purpose of study in the United States shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization pursuant to regulations promulgated by the Attorney General.

"SEC. 413. Encouragement of free enterprise and private participation: (a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other free nations to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward the economic strength of other free nations, through private trade and investment abroad, private participation in the programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

"(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President—

"(1) shall make arrangements to find and draw the attention of private enterprise to opportunities for investment and development in other free nations;

"(2) shall accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to nations participating in programs under this Act;

"(3) shall, consistent with the security and best interests of the United States, seek compliance by other countries or a dependent area of any country with all treaties for commerce and trade and taxes and shall take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or dependent area thereof in violation of any such treaty; and

"(4) may make, until June 30, 1957, under rules and regulations prescribed by him, guaranties to any person of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any nation with which the United States has agreed to institute the guaranty program: *Provided,* That—

"(A) such projects shall be approved by the President as furthering any of the purposes of this Act, and by the nation concerned;

"(B) the guaranty to any person shall be limited to assuring any or all of the following:

"(i) the transfer into United States dollars of other currencies, or credits in such currencies, received by such person as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

"(ii) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the President to have been lost to such person by reason of expropriation or confiscation by action of the government of a foreign nation;

"(C) when any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, assets, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim or cause of action existing in connection therewith;

"(D) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the President plus actual earnings or profits on said project to the extent provided by such guaranty, and shall be limited to a term not exceeding twenty years from the date of issuance;

"(E) a fee shall be charged in an amount not exceeding 1 per centum per annum of the amount of each guaranty under clause (i) of subparagraph (B), and not exceeding 4 per centum per annum of the amount of each guaranty under clause (ii) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this section until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section;

"(F) the President is authorized to issue guaranties up to a total of $200,000,000: *Provided,* That any funds allocated to a guaranty or remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding. Any payments made to discharge liabilities under guaranties issued under this subsection shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, when necessary to discharge liabilities under any such guaranty;

"(G) the guaranty program authorized by this paragraph shall be used to the maximum practicable extent and shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in achieving any of the purposes of this Act;

"(H) as used in this paragraph—

"(i) the term 'person' means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or Territory and substantially beneficially owned by citizens of the United States, and

"(ii) the term 'investment' includes any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

"SEC. 414. Munitions control: (a) The President is authorized to control, in furtherance of world peace and the security and foreign policy of the United States, the export and import of arms, ammunition, and implements of war, including technical data relating thereto, other than by a United States Government agency. The President is authorized to designate those articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, for the purposes of this section.

"(b) As prescribed in regulations issued under this section, every person who engages in the business of manufacturing, exporting, or importing any arms, ammunition, or implements of war, including technical data relating thereto, designated by the President under subsection (a) shall register with the United States Government agency charged with the administration of this section and, in addition, shall pay a registration fee which shall be prescribed by such regulations.

"(c) Any person who willfully violates any provision of this section or any rule or regulation issued under this section, or who willfully, in a registration or license application, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $25,000 or imprisoned not more than two years, or both.

"SEC. 415. Assistance to international organization: Whenever it will assist in achieving purposes declared in this Act, the President is authorized to use funds available under sections 131 and 403 in order to furnish assistance, including by transfer of funds, directly to the North Atlantic Treaty Organization, for a strategic stockpile of foodstuffs and other supplies, or for other purposes.

"SEC. 416. Facilitation and encouragement of travel: The President, through such officer or commission as he may designate, shall facilitate and encourage, without cost to the United States except for administrative expenses, the promotion and development of travel by citizens of the United States to and within countries receiving assistance under this Act and travel by citizens of such countries to the United States.

"SEC. 417. Irish counterpart: Pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, the disposition within Ireland of the unencumbered balance, in the amount of approximately 6,000,000 Irish pounds, of the special account of Irish funds established under article IV of the Economic Cooperation Agreement between the United States of America and Ireland, dated June 28, 1948, for the purposes of—

"(1) scholarship exchange between the United States and Ireland;

"(2) other programs and projects (including the establishment of an Agricultural Institute) to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry; and

"(3) development programs and projects in aid of the foregoing objectives,

is hereby approved, as provided in the agreement between the Government of the United States of America and the Government of Ireland, dated June 17, 1954.

"TITLE V—MISCELLANEOUS PROVISIONS

"Chapter 1. General provisions

"SEC. 501. Transferability of funds: Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available pursuant to any provision of this Act may be transferred to and consolidated with the funds made available pursuant to any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount made available for such provision pursuant to this Act. Funds transferred under this section to furnish military assistance under

chapter 1 of title I may be expended without regard to the area limits imposed by section 105 (c). Of any funds transferred under this section for the purpose of furnishing assistance under section 201, 30 per centum shall be available only for furnishing assistance on terms of repayment in accordance with section 505.

"SEC. 502. Use of foreign currency: (a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, proceeds of sales made under section 550 of the Mutual Security Act of 1951, as amended, shall remain available and shall be used for any of the purposes of this Act, giving particular regard to the following purposes—

"(1) for providing military assistance to nations or mutual defense organizations eligible to receive assistance under this Act;

"(2) for purchase of goods or services in friendly nations;

"(3) for loans, under applicable provisions of this Act, to increase production of goods or services, including strategic materials, needed in any nation with which an agreement was negotiated, or in other friendly nations, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

"(4) for developing new markets on a mutually beneficial basis;

"(5) for grants-in-aid to increase production for domestic needs in friendly countries; and

"(6) for purchasing materials for United States stockpiles.

"(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, for their local currency expenses: *Provided*, That any such committee of the Congress which uses local currency shall make a full report thereof to the Committee on House Administration of the House of Representatives (if the committee using such currency is a committee of the House of Representatives) or to the Committee on Rules and Administration of the Senate (if the committee using such currency is a committee of the Senate), showing the total amount of such currency so used in each country and the purposes for which it was expended.

"SEC. 503. Termination of assistance: (a) If the President determines that the furnishing of assistance to any nation under any provision of this Act—

"(1) is no longer consistent with the national interest or security or the foreign policy of the United States; or

"(2) would no longer contribute effectively to the purposes for which such assistance is furnished; or

"(3) is no longer consistent with the obligations and responsibilities of the United States under the Charter of the United Nations,

he shall terminate all or part of any assistance furnished pursuant to this Act. If the President determines that any nation which is receiving assistance under chapter 1 of title I of this Act is not making its full contribution to its own defense or to the defense of the area of which it is a part, he shall terminate all or part of such assistance. Assistance to any nation under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for twelve months from the date of termination under this subsection for the necessary expenses of liquidating assistance programs.

"(b) (1) After June 30, 1955, none of the authority conferred by this Act may be exercised for the purpose of carrying out any function authorized by title II; except that during the twelve months following such date (i) funds which have been obligated on or before that date shall remain available for expenditure, (ii) equipment, materials, commodities, and services with respect to which funds have been obligated on or before such date for procurement for, shipment to, or delivery in a recipient country may be transferred to such country, and (iii) funds appropriated under authority of this Act may be obligated (A) for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and (B) for the necessary expenses of liquidating operations incident to such functions.

(2) At such time as the President shall find appropriate, the powers, duties, and authority conferred by this Act with respect to such function may be transferred for the purpose of liquidation to such other United States Government agencies as the President shall specify, and the relevant funds, records, property, and personnel may be transferred to the agencies to which the related functions are transferred.

"(c) Unless sooner abolished under section 525, the Foreign Operations Administration shall cease to exist at the close of June 30, 1955.

"SEC. 504. Small business: (a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under titles II, III, and IV, and chapters 2 and 3 of title I, of this Act—

"(1) by causing to be made available to suppliers in the United States and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds,

"(2) by causing to be made available to prospective purchasers in the nations receiving assistance under this Act information as to commodities and services produced by small independent enterprises in the United States, and

"(3) by providing for additional services to give small business better opportunities to participate in the furnishing of commodities and services financed with such funds.

"(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such United States Government agency as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

"(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to chapter 1 of title I, such information to be furnished as far in advance as possible.

"SEC. 505. Loan assistance: (a) Assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States of materials required for stockpiling or other purposes) as may be determined to be best suited to the achievement of the purposes of this Act.

"(b) Of the funds made available pursuant to this Act and foreign currencies accruing to the United States under section 402, the equivalent of not less than $200,000,000 shall be available only for the furnishing of assistance on terms of repayment. Funds for the purpose of furnishing assistance on terms of repayment shall be allocated to the Export-Import Bank of Washington, which shall, notwithstanding the provisions of the Export-Import Bank Act of 1945 (59 Stat. 526), as amended, make and administer the credit on such terms. Credits made by the Export-Import Bank of Washington with funds so allocated to it shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (59 Stat. 529), as amended. Amounts received in repayment of principal and interest on any loan made under this section shall be held by the Treasury to be used for such purposes, including further loans, as may be authorized from time to time by Congress. Amounts received in repayment of principal and interest on any credits made under paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into miscellaneous receipts of the Treasury, except that, to the extent required for such purpose, amounts received in repayment of principal and interest on any credits made out of funds realized from the sale of notes heretofore authorized to be issued for the purpose of financing assistance on a credit basis under paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be deposited into the Treasury for the purpose of the retirement of such notes.

"SEC. 506. Patents and technical information: (a) As used in this section—

"(1) the term 'invention' means an invention or discovery covered by a patent issued by the United States; and

"(2) the term 'information' means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

"(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purposes of this Act—

"(1) use within the United States, without authorization by the owner, shall be made of an invention; or

"(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

"(c) Before such suit against the United States has been instituted, the head of the appropriate United States Government agency, which has furnished any assistance in furtherance of the purposes of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

"(d) The provisions of the last sentence of section 1498 of title 28 of the United States Code shall apply to inventions and information covered by this section.

"(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a

notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last-mentioned date.

"SEC. 507. Availability of funds: Except as otherwise provided in sections 104 (pertaining to infrastructure), 405 (pertaining to movement of migrants), 408 (a) (pertaining to North Atlantic Treaty Organization), and 412 (pertaining to Chinese and Korean students), funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year.

"SEC. 508. Limitation on funds for propaganda: None of the funds herein authorized to be appropriated nor any counterpart funds shall be used to pay for personal services or printing, or for other expenses of the dissemination within the United States of general propaganda in support of the mutual security program, or to pay the travel or other expenses outside the United States of any citizen or group of citizens of the United States for the purpose of publicizing such program within the United States.

"SEC. 509. Shipping on United States vessels: Such steps as may be necessary shall be taken to assure, as far as practicable, that at leat 50 per centum of the gross tonnage of commodities, materials and equipment procured out of funds made available under sections 103, 123, 131, 132 (a), 201, 304, and 403 of this Act and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services and computed separately for section 103, and for sections 123, 131, 132 (a), 201, 304, and 403 (taken together) is so transported on United States flag commercial vessels to the extent such vessels are available at market rates for United States flag commercial vessels provided such rates are fair and reasonable; and, in the administration of this provision, steps shall be taken, insofar as practicable and consistent with the purpose of this Act, to secure a fair and reasonable participation by United States flag commercial vessels in cargoes by geographic area.

"SEC. 510. Purchase of commodities: No funds made available under title II or chapter 3 of title I of this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment. A bulk purchase within the meaning of this section does not include the purchase of raw cotton in bales. Funds made available under title II or chapter 3 of title I of this Act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any areas of labor surplus, or upon the industrial mobilization base, which outweigh the economic advantages to the United States of less costly procurement abroad. In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient nation in accordance with the requirements of such nation, the President shall, insofar as practicable and where in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that any such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the requirements of the nations receiving assistance under this Act.

"SEC. 511. Retention and return of equipment: (a) No equipment or materials may be transferred under title I out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States, or that such equipment or materials are needed by the reserve components of the Armed Forces to meet their training requirements.

"(b) Any equipment, materials, or commodities procured to carry out this Act shall be retained by, or, upon reimbursement, transferred to and for the use of, such United States Government agency as the President may determine in lieu of being disposed of to a foreign nation or international organization whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities so retained may be disposed of without regard to provisions of law relating to the disposal of Government-owned property, when necessary to prevent spoilage or wastage of such commodities or to conserve the usefulness thereof. Funds realized from any such disposal or transfer shall revert to the respective appropriation or appropriations out of which funds were expended for the procurement of such equipment, materials, or commodities or to appropriations currently available for such procurement.

"(c) The President shall make appropriate arrangements with each nation receiving equipment or materials under chapter 1 of title I (other than equipment or materials sold under the provisions of section 106) for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any such equipment or materials which are no longer required for the purposes for which originally made available.

"SEC. 512. Penal provision: Whoever offers or gives to anyone who is or in the preceding two years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, and whoever, being or having been an employee or officer of the United States in the preceding two years, solicits, accepts, or offers to accept any commission, payment, or gift in connection with the procurement of equipment, materials, commodities, or services under this Act in connection with which procurement said officer, employee, former officer or former employee is or was employed or performed duty or took any action during such employment, shall upon conviction thereof be subject to a fine of not to exceed $10,000 or imprisonment for not to exceed three years, or both: *Provided*, That this section shall not apply to persons appointed pursuant to sections 308 or 530 (a) of this Act.

"SEC. 513. Notice to legislative committees: When any transfer is made under section 105 (d) or section 501, or any other action is taken under this Act which will result in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act, or which will result in expenditures greater by 50 per centum or more than the proposed expenditures included in such presentation for the program concerned, the President or such officer as he may designate shall promptly notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and House of Representatives, stating the justification for such change. Notice shall also be given to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives of any determination under the first sentence of section 401 (except with respect to unvouchered funds), and copies of any certification as to loyalty under section 531 shall be filed with such committees.

"SEC. 514. International educational exchange activities: Foreign currencies or credits owed to or owned by the United States, where arising from this Act or otherwise, shall, upon a request from the Secretary of State certifying that such funds are required for the purpose of international educational exchange activities under programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended, be reserved by the Secretary of the Treasury for sale to the Department of State for such activities on the basis of the dollar value at the time of the reservation.

"*Chapter 2. Organization and administration*

"SEC. 521. Delegation of authority by the President: (a) Except as provided in subsection (b), the President may exercise any power or authority conferred on him by this Act through such agency or officer of the United States as he shall direct, and the head of such agency or such officer may from time to time promulgate such rules and regulations as may be necessary and proper to carry out functions under this Act and may delegate authority to perform any of such functions to his subordinates acting under his direction.

"(b) After June 30, 1955, the President shall exercise the powers conferred upon him under title III of this Act through the Secretary of State.

"SEC. 522. Allocation and reimbursement among agencies: (a) The President may allocate or transfer to any United States Government agency any part of any funds available for carrying out the purposes of this Act, including any advance to the United States by any nation or international organization for the procurement of equipment or materials or services. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the Government agencies to which such funds are allocated or transferred. Funds allocated to the Department of Defense shall be governed as to reimbursement by the procedures of subsection (c) of this section.

"(b) Any officer of the United States performing functions under this Act may utilize the services and facilities of, or procure commodities from, any United States Government agency as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"(c) Reimbursement shall be made to any United States Government agency, from funds available to carry out chapter 1 of title I of this Act, for any assistance furnished under that chapter from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 545) of the equipment and materials, services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under that chapter. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials

or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from and incident to such procurement.

"(d) In the case of any commodity, service, or facility procured from any United States Government agency under any provision of this Act other than chapter 1 of title I, reimbursement or payment shall be made to such agency from funds available to carry out such provision. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposal agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

"(e) In furnishing assistance under this Act and in making surplus agricultural commodities available under section 402 accounts may be established on the books of any United States Government agency or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, against which (i) letters of commitment may be issued which shall constitute obligations of the United States, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended, and (ii) withdrawals may be made by recipient nations or agencies, organizations or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of Government funds: *Provided*, That such expenditures for commodities or services procured outside the continental limits of the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

"SEC. 523. Coordination with foreign policy: (a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

"(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

"SEC. 524. The Secretary of Defense: (a) In the case of aid under chapter 1 of title I of this Act, the Secretary of Defense shall have primary responsibility for—

"(1) the determination of military end-item requirements;

"(2) the procurement of military equipment in a manner which permits its integration with service programs;

"(3) the supervision of end-item used by the recipient countries;

"(4) the supervision of the training of foreign military personnel;

"(5) the movement and delivery of military end-items; and

"(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

"(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The determination of the value of the program for any country under chapter 1 of title I shall be made by the President.

"SEC. 525. Foreign Operations Administration: Except as modified pursuant to this section or section 521, the Director of the Foreign Operations Administration (referred to in this chapter as the "Director") shall continue to perform the functions vested in him on the effective date of this Act, except insofar as such functions relate to continuous supervision and general direction of programs of military assistance. The President may transfer to any agency or officer of the United States, and may modify or abolish, any function, office, or entity of the Foreign Operations Administration or any officer or employee thereof, and may transfer such personnel, property, records, and funds as may be necessary incident thereto.

"SEC. 526. Missions and staffs abroad: The President may maintain special missions or staffs abroad in such nations and for such periods of time as may be necessary to carry out this Act. Each such special mission or staff shall be under the direction of a chief. The chief and his deputy shall be appointed by the President and may, notwithstanding any other law, be removed by the President at his discretion. The chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946 (22 U. S. C. 801), or (2) compensation and allowances in accordance with section 527 (c) of this Act, as the President shall determine to be appropriate.

"SEC. 527. Employment of personnel: (a) Any United States Government agency performing functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

"(b) Of the personnel employed in the United States on programs authorized by this Act, not to exceed sixty may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed thirty-five may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $15,000 per annum. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

"(c) For the purpose of performing functions under this Act outside the continental limits of the United States, the Director may—

"(1) employ or assign persons, or authorize the employment or assignment of officers or employees of other United States Government agencies, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U. S. C. 801), together with allowances and benefits established thereunder including, in all cases, post differentials prescribed under section 443 of the Foreign Service Act; and persons so employed or assigned shall be entitled to the same benefits as are provided by section 528 of the Foreign Service Act for persons appointed to the Foreign Service Reserve and, except for policymaking officials, the provisions of section 1005 of the Foreign Service Act shall apply in the case of such persons; and

"(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended (22 U. S. C. 801), as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including, in all cases, the provisions of sections 443 and 528 of that Act.

"(d) For the purpose of performing functions under this Act outside the continental limits of the United States, the Secretary of State may, at the request of the Director, appoint for the duration of operations under this Act alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U. S. C. 801).

"SEC. 528. Detail of personnel to foreign governments: (a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

"(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act.

"SEC. 529. Detail of personnel to international organizations: (a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any United States Government agency is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with or as a member of the international staff of such organization, or to render any technical, scientific or professional advice or service to or in cooperation with such organization.

"(b) Any such officer or employee, while so assigned or detailed, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority and other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds available to that agency or made available to that agency out of funds authorized under this Act. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U. S. C. 801). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes.

"(c) Details or assignments may be made under this section—

"(1) without reimbursement to the United States by the international organization;

"(2) upon agreement by the international organization to reimburse the United States for compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section; and such reimbursement shall be credited to the appropriation, fund, or account utilized for paying

such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

"(3) upon an advance of funds, property, or services to the United States accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the international organization; or

"(4) subject to the receipt by the United States of a credit to be applied against the payment by the United States of its share of the expenses of the international organization to which the officer or employee is detailed, such credit to be based upon the compensation, travel expenses and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section.

"SEC. 530. Experts and consultants or organizations thereof: (a) experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be employed by any United States Government agency for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at a rate not to exceed $10 while so employed within the continental limits of the United States and at the applicable rate prescribed in the Standardized Government Travel Regulations (Foreign Areas) while so employed outside the continental limits of the United States.

"(b) Persons of outstanding experience and ability may be employed without compensation by any United States Government agency for the performance of functions under this Act in accordance with the provisions of section 710 (b) of the Defense Production Act of 1950, as amended (50 U. S. C. App. 2160), and regulations issued thereunder.

"SEC. 531. Security clearance: No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director under this Act for a period to exceed three months unless—

"(a) such individual has been investigated as to loyalty and security by the Civil Service Commission, or by the Federal Bureau of Investigation in the case of specific positions which have been certified by the Director as being of a high degree of importance or sensitivity or in case the Civil Service Commission investigation develops data reflecting that the individual is of questionable loyalty, and a report thereon has been made to the Director, and until the Director has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never knowingly been a member of any organization advocating contrary views; or

"(b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs.

"This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

"SEC. 532. Exemption of personnel from certain Federal laws: (a) Service of an individual as a member of the Board established pursuant to section 308 of this Act or as an expert or consultant under section 530 (a) shall not be considered as service or employment bringing such individual within the provisions of title 18, U. S. C., section 281, 283 or 284, or of section 190 of the Revised Statutes (5 U. S. C. 99), or of any any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service; nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 6 of the Act of May 22, 1920, as amended (5 U. S. C. 715), section 212 of the Act of June 30, 1932, as amended (5 U. S. C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

"(b) Notwithstanding section 2 of the Act of July 31, 1894 (5 U. S. C. 62), which prohibits certain retired officers from holding certain office, any retired officer of any of the services mentioned in the Career Compensation Act of 1949 may hold any office or appointment under this Act or the Mutual Defense Assistance Control Act of 1951, but the compensation of any such retired officer shall be subject to the provisions of the Act of June 30, 1932 (5 U. S. C. 59a), which does not permit retired pay to be added to the compensation received as a civilian officer.

"SEC. 533. Waivers of certain Federal laws: Whenever the President determines it to be in furtherance of purposes declared in this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

"SEC. 534. Reports: The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress reports covering each six months of operations, in furtherance of the purposes of this Act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session. Such reports shall include detailed information on the implementation of sections 504 and 413 (b) of this Act.

"SEC. 535. Cooperation with international organizations: (a) The President is authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs and specialized agencies, or other international organizations, in carrying out the purposes of this Act, and may make payments by advancements or reimbursements, for such purposes, out of funds made available for the purposes of this Act, as may be necessary therefor, to the extent that special compensation is usually required for such services and facilities: *Provided*, That nothing in this section shall be construed to authorize the delegation to any international or foreign organization or agency of authority to decide the method of furnishing assistance under this Act to any country or the amount thereof.

"(b) Whenever the President determines it to be in furtherance of the purposes of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, on an advance of funds or reimbursement basis, to such organizations. Such advances or reimbursements may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.

"SEC. 536. Joint Commission on Rural Reconstruction in China: The President is authorized to continue to participate in the Joint Commission on Rural Reconstruction in China and to appoint citizens of the United States to the Commission.

"Chapter 3. Repeal and miscellaneous provisions

"SEC. 541. Effective date: This Act shall take effect on the date of its enactment.

"SEC. 542. Statutes repealed: (a) There are hereby repealed—

"(1) an Act to provide for assistance to Greece and Turkey, approved May 22, 1947, as amended;

"(2) the joint resolution to provide for relief assistance to the people of countries devastated by war, approved May 31, 1947, as amended;

"(3) the Foreign Aid Act of 1947;

"(4) the Foreign Assistance Act of 1948, as amended; including the Economic Cooperation Act of 1948, as amended, the International Children's Emergency Fund Assistance Act of 1948, as amended, the Greek-Turkish Assistance Act of 1948, and the China Aid Act of 1948, as amended;

"(5) the Mutual Defense Assistance Act of 1949, as amended;

"(6) the Foreign Economic Assistance Act of 1950, as amended; including the Economic Cooperation Act of 1950, the China Area Aid Act of 1950, as amended, the United Nations Palestine Refugee Aid Act of 1950, and the Act for International Development, as amended;

"(7) the Far Eastern Economic Assistance Act of 1950, as amended;

"(8) the Yugoslav Emergency Relief Assistance Act of 1950;

"(9) the Mutual Security Act of 1951, as amended;

"(10) the Mutual Security Act of 1952;

"(11) the Mutual Security Act of 1953;

"(12) section 12 of the joint resolution of Congress approved November 4, 1939 (54 Stat. 10; 22 U. S. C. 452);

"(13) section 4 of the Act of March 3, 1925 (50 Stat. 887; 50 U. S. C. 165); and

"(14) section 968 of title 18, United States Code.

"(b) References in other Acts to the Acts listed in subsection (a) shall hereafter be considered to be references to the appropriate provisions of this Act.

"(c) The repeal of the Acts listed in subsection (a) shall not be deemed to affect amendments contained in such Acts to Acts not named in subsection (a).

"SEC. 543. Saving provisions:

"(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law repealed by section 542 shall continue in full force and

effect until modified by appropriate authority.

"(b) Where provisions of this Act establish conditions which must be complied with before use may be made of authority contained in or funds authorized by this Act, compliance with substantially similar conditions under Acts named in section 542 shall be deemed to constitute compliance with the conditions established by this Act.

"(c) No person in the service or employment of the United States or otherwise performing functions under an Act repealed by section 542 or under section 408 shall be required to be reappointed or reemployed by reason of the entry into force of this Act, except that appointments made pursuant to section 110 (a) (2) of the Economic Cooperation Act of 1948, as amended, shall be converted to appointments under section 527 (c) of this Act.

"SEC. 544. Amendments to other laws: (a) Title X of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431), is amended by adding the following new section:

"'Informational Media Guaranties

"'SEC. 1011. The Director of the United States Information Agency may make guaranties, in accordance with the provisions of subsection (b) of section 413 of the Mutual Security Act of 1954, of investments in enterprises producing or distributing informational media consistent with the national interests of the United States against funds heretofore made available by notes issued to the Secretary of the Treasury pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, for purposes of guaranties of investments: *Provided, however,* That the amount of such guaranties in any fiscal year shall be determined by the President but shall not exceed $10,000,000.'

"(b) Section 1 of Public Law 283, Eighty-first Congress, is repealed. The Institute of Inter-American Affairs, created pursuant to Public Law 369, Eightieth Congress (22 U. S. C. 281), shall have succession until June 30, 1960, and may make contracts for periods not to exceed five years: *Provided,* That any contract extending beyond June 30, 1960, shall be made subject to termination by the said Institute upon notice: *And provided further,* That the said Institute shall, on and after July 1, 1954, be subject to the applicable provisions of the Budget and Accounting Act, 1921, as amended (31 U. S. C. 1), in lieu of the provisions of the Government Corporation Control Act, as amended (31 U. S. C. 841).

"SEC. 545. Definitions: For the purposes of this Act—

"(a) The term 'commodity' includes any commodity, material, article, supply, or goods.

"(b) The term 'surplus agricultural commodity' means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

"(c) The terms 'equipment' and 'materials' shall mean any arms, ammunition, or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply or item that would further the purpose of chapter 1 of title I, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair, or rehabilitation of any equipment or materials, but shall not include merchant vessels.

"(d) The term 'mobilization reserve', as used with respect to any equipment or materials, means the quantity of such equipment or materials determined by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the Armed Forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

"(e) The term 'excess', as used with respect to any equipment or materials, means the quantity of such equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment or materials.

"(f) The term 'services' shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this Act.

"(g) The term 'Armed Forces of the United States' shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the Reserve components thereof.

"(h) The term 'value' means—

"(1) with respect to any excess equipment or materials furnished under chapter 1 of title I, the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

"(2) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

"(3) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

"(4) with respect to any equipment or materials furnished under chapter 1 of title I which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under chapter 1 of title I all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency.

"(i) The term 'United States Government agency' means any department, agency, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

"SEC. 546. Construction: (a) If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and applicability of such provision to other circumstances or persons shall not be affected thereby.

"(b) Nothing in this Act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946, as amended (42 U. S. C. 1801).

"(c) Nothing in this Act is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any nation or nations, or to any international organization.

"SEC. 547. Reduction of authorizations: Notwithstanding the foregoing provisions of this Act, such provisions shall not be construed to authorize the appropriation for the fiscal year 1955, for the purposes of titles I, II, and IV of this Act, of amounts (exclusive of unexpended balances of prior appropriations authorized to be continued available under such provisions) aggregating in excess of $2,918,040,000."

And the Senate agree to the same.

ROBERT B. CHIPERFIELD,
JOHN M. VORYS,
WALTER H. JUDD,
THOMAS S. GORDON,
LAURIE BATTLE,
Managers on the Part of the House.

ALEXANDER WILEY,
H. ALEXANDER SMITH,
BOURKE B. HICKENLOOPER,
WALTER F. GEORGE,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical, and necessary conforming changes, the differences are noted below:

THE FUNDS AUTHORIZED

The committee on conference agreed on a total authorization of $3,252,868,000. This is a reduction of $314,040,000 from the House bill and an increase of $314,040,000 over the Senate amendment.

The following formula was used to determine the authorization:

House bill, total	$3,566,908,000
Less future year authorization for infrastructure	198,300,000
House bill, total 1955 authorization	3,368,608,000
Less House bill, title III	131,528,000
House bill, titles I, II, and IV	3,237,080,000
Senate bill, titles I, II, and IV (Senator Long's amendment)	2,599,000,000
Difference between House and Senate	638,080,000
Half of difference between House and Senate	319,040,000
Senate bill, titles I, II and IV	2,599,000,000
Conference agreement	2,918,040,000

Conference agreement, title III	$136,528,000
Conference agreement, total 1955	3,054,568,000
Add future year authorization for infrastructure	198,300,000
	3,252,868,000

It was clear from the debate on the Long amendment that it was intended as a limitation on fiscal year 1955 appropriations, although this was not specified in the amendment. The conferees placed this date in the limitation. The authorization for future appropriations for infrastructure, $198,300,000, was in both the Senate and House bills and was not affected by the agreement on the Long amendment. Therefore, the total authorized by the conference agreement is:

$3,054,568,000
198,300,000
3,252,868,000

The comparable overall totals are as follows:

	House authorization bill	Senate authorization bill	Conference agreement
Authorization for titles I, II, IV	$3,435,380,000	$2,797,300,000	$2,918,040,000
Authorization for title III	131,528,000	141,528,000	136,528,000
Total authorization	3,566,908,000	2,938,828,000	3,054,568,000
Future years authorization for infrastructure			198,300,000
			3,252,868,000
Less funds for which no 1955 appropriation will be requested:			
Sec. 104. Infrastructure	198,300,000	198,300,000	198,300,000
Sec. 407. UNRWA	30,000,000	30,000,000	30,000,000
Total	228,300,000	228,300,000	228,300,000
Total 1955 money request	3,338,608,000	2,710,528,000	3,024,568,000

The detailed authorizations in the House bill, the Senate amendment, and in the conference agreement are as follows:

Items	House authorization bill	Senate authorization bill	Conference agreement
Title I—Mutual defense assistance:			
Chapter 1. Military assistance:			
Sec. 103. Authorization	$1,430,300,000	$1,265,300,000	$1,270,000,000
Sec. 106:			
Europe	(617,500,000)	(617,500,000)	(617,500,000)
Near East	(181,200,000)	(181,200,000)	(181,200,000)
Far East	(583,600,000)	(583,600,000)	(583,600,000)
Latin America	(13,000,000)	(13,000,000)	(13,000,000)
Sec. 104. Infrastructure	321,000,000	321,000,000	321,000,000
Sec. 105. Special weapons		27,000,000	
Total, chapter 1	1,751,300,000	1,613,300,000	1,591,000,000
Chapter 2. Direct forces support:			
Sec. 121. Southeast Asia	800,000,000	712,000,000	700,000,000
Sec. 122. Production for forces support		70,000,000	35,000,000
Sec. 123. Common use items	70,000,000	64,000,000	60,000,000
Total, chapter 2	870,000,000	846,000,000	795,000,000
Chapter 3. Defense support:			
Sec. 131 (b):			
(1) Europe	[1] 45,000,000	71,000,000	46,000,000
(2) Near East	81,850,000	73,000,000	73,000,000
(3) Far East	96,430,000	86,230,195	80,098,195
Sec. 132:			
(a) Korean program	230,000,000	205,000,000	205,000,000
(b) UNKRA	11,300,000	3,452,615	3,452,615
Total, chapter 3	464,580,000	438,682,810	407,550,810
Total, title I	3,085,880,000	2,897,982,810	2,793,550,810
Title II—Development assistance:			
Near East and Africa	130,000,000	115,000,000	115,000,000
South Asia	85,000,000	76,000,000	75,000,000
Latin America	9,000,000	9,000,000	9,000,000
Total, title II	224,000,000	200,000,000	199,000,000
Title III—Technical cooperation:			
Sec. 303 (304). Bilateral	112,070,000	122,070,000	117,070,000
Sec. 305 (306). Multilateral:			
(a) United Nations	17,958,000	17,958,000	17,958,000
(b) OAS	1,500,000	1,500,000	1,500,000
Total, title III	131,528,000	141,528,000	136,528,000
Title IV—Other programs:			
Sec. 403. Joint control areas	25,000,000	(2)	25,000,000
Sec. 405:			
(a) Migrants	11,700,000	11,189,190	11,189,190
(b) UNREF	500,000	500,000	500,000
Sec. 406. Children's Fund	13,500,000	13,500,000	13,500,000
Sec. 407. UNRWA	30,000,000	30,000,000	30,000,000
Sec. 408. NATO	3,200,000	3,200,000	3,200,000
Sec. 409. Ocean freight	4,400,000	4,400,000	4,400,000
Sec. 410. Control Act expenses	1,300,000	1,300,000	1,300,000
Sec. 411. Administrative expenses	35,900,000	34,700,000	34,700,000
Total title IV	125,500,000	98,789,190	123,789,190
Total	3,566,908,000	3,338,300,000	3,252,868,000

[1] House bill excludes $25,000,000 for joint control areas. This is carried in sec. 403.
[2] Senate bill includes $25,000,000 for this item in sec. 131 (b) (1).

SEATING OF COMMUNIST CHINA IN UNITED NATIONS (SECTION 101)

The Senate amendment contained a provision reiterating congressional opposition to seating the Communist regime in China as China's representative in the United Nations, and requesting the President, if that regime should be seated in the Security Council or General Assembly, to inform the Congress of the implications on United States foreign policy and to present his recommendations, if any. No such provision

was included in the House bill, but the House on July 15, 1954, adopted House Resolution 627, reiterating its opposition to, and supporting the President in his efforts to prevent, the seating of that regime as the representative of China in the United Nations or any of its specialized agencies.

The conference agreement retains the language of the Senate amendment.

DEVELOPMENT OF WEAPONS OF ADVANCED DESIGN (SECS. 103 AND 105)

The Senate amendment authorized an appropriation of $27,000,000 for the development of weapons of advanced design together with the unexpended balance previously authorized for that purpose. The House bill authorized the carryover of unexpended balances but did not provide any new funds for such weapons.

The committee of conference believes that the development of weapons of advanced design is important to the military program authorized in this legislation. There is no reason, however, for placing any limit on the funds available for such use. Moreover, there are certain advantages in not informing potential enemies of the amounts of money being spent for such purposes, and it is not necessary to do so since the nature of the assistance involved, as described in detail in closed sessions during the hearings, may properly be carried out under the general authorization to provide military assistance. Money authorized for the procurement of conventional weapons could be used for the development of newer weapons whenever funds can be effectively used in this way. For this reason it was decided that no special provision should be made for such a program. Under the program to develop weapons of advanced design, funds will continue to be used to finance that research and development projects and items of a classified nature that are not in the usual category of weapons. The authorization for direct military assistance was increased by $27,000,000, the amount requested by the Executive for weapons of advanced design, to make clear that there was no indication that this program should be curtailed because it was being included in the general military authorization. The unexpended balance for weapons of advanced design was made available under section 103 and may be used insofar as needed for such weapons.

CONDITIONS OF MILITARY ASSISTANCE TO THE FAR EAST AND THE PACIFIC (SEC. 105 (B) (3))

The Senate amendment contained language providing that military assistance to the Far East and Pacific should be given directly to the free peoples of the area including the Associated States of Cambodia, Laos, and Vietnam insofar as possible. This language was not contained in the House bill. The House conferees accepted the Senate provision because it was believed that the directive to give military aid directly rather than channeling it through another nation in that area would more effectively promote the effective use of United States aid.

TRANSFER PROVISION (SEC. 105 (D))

Both the House bill and the Senate amendment fixed ceilings on the dollar value of military aid which may be delivered in each of four areas. These ceilings are fixed by adding, to the funds previously made available for military assistance in each area, the following figures:

Europe	$617,500,000
Near East, Africa, and South Asia	181,200,000
Far East and Pacific	583,600,000
Western Hemisphere	13,000,000

The House bill provided that, notwithstanding these ceilings, military aid programed for any one of these areas may be furnished in any other area, if its value does not exceed 10 percent of the sum of (1) the figure specified above for the area from which the transfer is made, and (2) the unexpended balances available on June 30, 1954, for military aid for that area. The Senate amendment contained a corresponding provision, with a 15-percent limit in place of the House bill's limit of 10 percent.

The managers for the House accepted the 15-percent limit in order to assure adequate flexibility for meeting changing military situations.

ASSISTANCE IN SOUTHEAST ASIA AND THE WESTERN PACIFIC (SEC. 121)

Sections 141 and 142 of the House bill established certain conditions of eligibility for mutual defense assistance, including a requirement as to agreements on the part of nations to which such assistance is furnished. Substantially similar provisions were included in the Senate amendment, but the Senate amendment authorized the President to waive these requirements, in the case of assistance to southeast Asia and the western Pacific, to the extent necessary to carry out the purposes of the act. The Senate amendment also provided that a report of any such waiver should be made to the interested congressional committees within 30 days. No similar waiver authority was contained in the House bill.

The committee of conference agreed to this waiver authority with two modifications. In the case of the Associated States of Cambodia, Laos, and Vietnam, the President was given discretion to waive provisions of section 142 since it is not now clear what agreements these nations will be able to negotiate and carry out. It may be undesirable to require mutual defense agreements from certain other governments in the area which have only recently attained independence, but which need help in resistance to communism. Therefore, provision was made that up to an aggregate of 10 percent of the funds made available in this section can be made available to such other nations not complying with all the conditions of section 142.

All exceptions to the requirements of section 142 must be reported to the appropriate committees of the Congress.

Language similar to that accepted by the committee of conference in section 105 (b) (3) providing for direct assistance as far as possible was also included in this section.

PRODUCTION FOR FORCES SUPPORT (SEC. 122)

The House bill contained a provision authorizing the carryover of unexpended fiscal year 1953 funds for support of manufacture of military aircraft required by United Kingdom forces for North Atlantic defense. The Senate amendment authorized the carryover plus an additional sum of $70,000,000 for fiscal 1955.

The conference agreement retains the language of the Senate amendment, except that the amount of new funds is reduced to $35,000,000.

DEFENSE SUPPORT—GENERAL AUTHORITY (SEC. 131 (A))

The House bill authorized the President to furnish defense support assistance to nations and organizations eligible to receive military assistance. The Senate amendment authorized the furnishing of such assistance without regard to whether the recipient nation or organization is eligible to receive military assistance.

The committee of conference agreed to the House language with the addition of language to make eligible any nation which has joined with the United States in a regional defense arrangement. As thus modified, the conference agreement will permit the furnishing of defense support, when it is in the interest of the United States to do so, in order to help such a nation sustain and increase military effort.

KOREAN PROGRAM—VESSELS (SEC. 132 (B) (1))

The Senate amendment contained language requiring that the President investigate to determine whether privately owned vessels were available for sale and, if so, that these vessels be purchased before any Government-owned vessels were transferred to Korea under section 132 (b) (1). The House bill contained no such language.

The committee of conference agreed that privately owned vessels available for sale should be purchased for transfer under this section, but did not feel that transfers of Government-owned vessels should be delayed pending negotiation of purchases from private owners. The conference agreement therefore adopts the Senate language except for the final phrase requiring purchase of privately owned vessels "prior to the transfer hereunder of any other vessels."

COUNTERPART (SEC. 142 (11))

Both the House bill and the Senate amendment provided for deposit of counterpart funds, under certain circumstances, by nations receiving mutual defense assistance. The House bill provided that not less than 10 percent of these funds should be allocated to the use of the United States. The Senate amendment provided that a portion of these funds, to be mutually agreed upon by the United States and the nation concerned, should be made available to the United States.

The House conferees accepted the Senate language with the amendment that not less than 10 percent shall be deposited by any country to which such minimum requirement has been applicable under previous legislation. This would permit necessary flexibility in the case of countries which had not previously been required to deposit 10 percent.

The House bill also provided that any unencumbered balances of counterpart funds which are deposited after the date of enactment of the bill and which remain after termination of assistance to the nation concerned shall be disposed of as may be authorized by Act of Congress. The Senate amendment provided for disposition of these balances for purposes to be mutually agreed between the nation and the United States, subject to approval by Act of Congress.

The conference agreement includes the Senate language in order to avoid the renegotiation and other difficulties which would result if such a change in policy was required. It was noted that the volume of counterpart deposits is declining rapidly as economic aid declines.

DEVELOPMENT ASSISTANCE (SEC. 201)

Section 201 of the House bill authorized development assistance to each of three areas: the Near East and Africa, South Asia, and Latin America. It also provided that at least half of the assistance furnished under the section to each such area should be furnished on a loan basis (except for assistance furnished with unexpended balances carried over under the section). The Senate amendment contained no such requirement as to loans for development assistance, although section 505 of the Senate amendment did earmark, for furnishing assistance on a loan basis, $150 million of the funds available under the act.

The conference agreement provides that 30 percent of the new funds appropriated for development assistance shall be used only for loans. This percentage should be applied to the total new funds available for all areas, rather than to the funds expended in each area. It is hoped that more than 30 percent of the funds provided under this title will be effectively utilized for purposes which would justify a loan, but the 50 percent requirement was felt to be too high.

TECHNICAL COOPERATION—DECLARATION OF PURPOSE (SEC. 301)

The House bill contained a provision setting forth the President's general authority to conduct bilateral technical cooperation programs together with a brief statement of the purpose of such programs. The Senate amendment contained a provision setting forth a comprehensive statement of purpose, formerly section 403 of the Act for International Development.

The conference agreement contains the Senate language. Within the program changes in emphasis and limitations in scope may be necessary. But it is the intent of the conferees that such changes give the Administrator no basis for departing from the original concepts and fundamental objectives of the technical cooperation program.

TECHNICAL COOPERATION—AUTHORIZATION (SEC. 304)

The House bill authorized $112,070,000 for technical cooperation programs in the Near East, Africa, South Asia, Far East and Pacific, and Latin America. The Senate amendment authorized $88,570,000 for the Near East, Africa, South Asia, the Far East, and the Pacific, and $33,500,000 specifically for Latin America, representing an additional sum of $10 million for that area.

In view of the forthcoming Rio Conference and recent developments in Latin America since the preparation of the authorization requests by the executive branch, it was the view of the committee of conference that a sum of $5 million additional to that requested would be desirable. The conference agreement, therefore, contains the specific earmarking of $28,500,000 for Latin America and preserves $88,570,000 for the other areas.

EARMARKING OF FUNDS—SURPLUS AGRICULTURAL COMMODITIES (SEC. 402)

Section 402 of the House bill earmarked $500,000,000 of the funds authorized to be made available under the bill for the purchase and export of surplus agricultural commodities. The Senate amendment revised this section, reducing the amount earmarked from $500,000,000 to $350,000,000 and making several technical changes, the main purposes of which were to make it clear that these commodities are in addition to those covered by the Agricultural Trade Development and Assistance Act of 1954, and to insure that the foreign currencies accruing to the United States under the section shall be used as far as practicable for the same purpose for which the dollars used to finance the purchase of the commodities were originally programed.

The conference agreement combines certain features of both provisions, together with clarifying language. The funds earmarked are set at $350,000,000. It is made clear that the agricultural commodities utilized under this section are to be sold for foreign currencies rather than supplied on a grant basis. Language is included providing that prices at which commodities are sold will not unduly disrupt world prices and that private channels of trade will be utilized to the maximum extent practicable. It is provided that the foreign currencies obtained under this provision will be spent to promote the objectives of this act, but with particular emphasis on the purposes expressed in section 104 of the Agricultural Trade and Development Act of 1954 which are in harmony with the purposes of the Mutual Security Act.

MOVEMENT OF MIGRANTS AND REFUGEES (SEC. 405)

The House bill authorized funds for United States contributions to the Intergovernmental Committee for European Migration (ICEM). The Senate amendment in addition specifically authorized the President to continue membership in ICEM in accordance with its constitution, approved on October 19, 1953.

While this was the intent of the House bill, it was felt desirable by the committee of conference specifically to express congressional approval of continued United States membership and United States acceptance of the new constitution. The conference agreement therefore preserves the additional language of the Senate amendment.

PALESTINE REFUGEES IN THE NEAR EAST (SEC. 407)

The House bill authorized the President to make use of the unexpended balance of funds previously appropriated for the United Nations Relief and Works Agency for Palestine Refugees through any other agency he might designate. The Senate amendment included this provision but in addition gave the President the same discretion as to the new money made available under this section.

The conference agreement retains the Senate language because it is believed that it fully maintains the position of the House in supporting the United Nations Relief and Works Agency for Palestine Refugees, but made allowance for the fact that circumstances which would justify the use of another agency for spending the funds carried over might justify the same course of action as to the new money.

NORTH ATLANTIC TREATY ORGANIZATION (SEC. 408)

Both the House bill and the Senate amendment authorized the appropriation for 1955 of $3,200,000 for payment by the United States of its share of expenses of NATO. The Senate amendment, however, provided in addition for a continuing authorization. The conference agreement retains the Senate language.

In adopting this language, the committee of conference believes it is desirable to include appropriations for as many international organizations in which the United States participates, on other than a temporary basis, in the Department of State appropriation bill. This would in such cases obviate the necessity of seeking new authorizations in succeeding years and thus facilitate the mechanism for continued United States participation.

STRATEGIC MATERIALS

The House bill (sec. 412) authorized the carryover of unexpended funds previously appropriated to assist in procuring and stimulating increased production of materials in which the United States or nations receiving United States assistance are deficient. The Senate amendment did not include such authorization.

The conference agreement eliminates this section. Information supplied to the committee of conference indicated that only a small sum remained unobligated under this section and the prospective uses for these unobligated funds appeared so vague and indefinite that a continuing authorization did not seem justified.

ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION (SEC. 413)

Section 413 (a): In declaring congressional policy on encouragement of free enterprise and private participation in the mutual-security program, the Senate amendment broadened the House bill to include a statement of congressional recognition of "the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world."

Since it was the intent of the House bill to reaffirm congressional policy in this subsection, the committee of conference agreed to include this language, contained in prior mutual-security legislation, in the conference agreement.

Section 413 (b) (2): The House bill provided that the President "shall accelerate a program of negotiating treaties for commerce and trade, or other temporary arrangements where more suitable or expeditious, which shall include provisions to encourage and facilitate the flow of private investment to nations participating in programs under this act." The Senate amendment deleted "or other temporary arrangements where more suitable or expeditious" and substituted the phrase "including tax treaties."

In adopting the Senate language, it is the view of the committee of conference that the substitution of tax treaties spells out a specific field of treaty negotiation important to the program of encouraging and facilitating the flow of private investment overseas.

Section 413 (b) (3): The Senate amendment required the President to insist upon full compliance by other countries with commercial-type treaties which they have entered into with the United States. It further directed the President to use all reasonable measures which may be available to him under this or any other law to secure compliance with treaties which have been declared to be valid by the International Court of Justice and to secure damages, when these are provable on the basis of valid and properly submitted claims, for any American citizen who has suffered as a result of unfair action in violation of such treaties. The House bill contained no such provision.

The committee of conference agreed to a modification of the Senate language. The conference agreement carries out the purpose of the Senate amendment to help in obtaining protection of the rights of American citizens abroad in conformity with the objectives of the mutual security program.

Section 413 (b) (4) (B) (ii): The House bill extended the coverage of investment guaranties to include war, revolution, or insurrection. The Senate amendment did not include this coverage. While the conference agreement omits the broadened coverage of the House bill, the committee of conference expressed its view that the investment guaranty program as contained in the agreement is an important part of private enterprise participation in the mutual security program.

MUNITIONS CONTROL (SEC. 414)

The Senate amendment included "technical data relating thereto" within the items subject to control under this section. The House bill did not include such language.

The conference agreement includes the Senate provision. It is believed that control over technical data, although difficult to administer except when wartime censorship is in effect, is important to United States security and that those responsible for controlling the export and import of munitions should be given such authority.

ASSISTANCE TO INTERNATIONAL ORGANIZATIONS (SEC. 415)

The House bill authorized the use of funds available for defense support and joint control areas for a strategic stockpile of foodstuffs for NATO. The Senate amendment made available defense support, development assistance and joint control area funds for aid to NATO, the European Coal and Steel Community, the Organization of European Economic Cooperation (OEEC), and the European Payments Union and similar organizations.

The conference agreement retains the language of the House bill. In adopting the House language, the committee of conference made it clear that no lack of United States interest in encouraging these organizations was intended. The Senate language was considered unnecessary, since no programs were presented to the Congress which would justify the Senate language at this time.

EMIGRATION TO U. S. S. R.

The House bill (sec. 415) contained a provision authorizing payment of expenses of travel of any resident in the United States

to the Union of Soviet Socialist Republics for the purpose of establishing permanent residence there, with the stipulation that such resident shall not be readmitted to the United States. The Senate amendment did not contain this provision. Certain psychological advantages to be derived from such a proposal are obvious, but the question of administrative difficulties led to its omission from the conference agreement.

IRISH COUNTERPART (SEC. 417)

When assistance to Ireland under the Economic Cooperation Act of 1948 was terminated, a balance amounting to approximately 6 million Irish pounds remained in the counterpart account established by Ireland as required by that act. The United States and Ireland entered into an agreement on June 17 of this year providing for the disposition of this balance within Ireland for the purposes of scholarship exchange between the two countries and other programs and projects to improve and develop the agricultural production and marketing potential of Ireland and to increase the production and efficiency of Irish industry.

Under the Economic Cooperation Act of 1948, this agreement is subject to approval by the Congress. The Senate amendment contained a provision approving the agreement. No such provision was in the House bill. The conference agreement retains the Senate language.

TRANSFERABILITY OF FUNDS (SEC. 501)

The House bill provided that the funds available to carry out any provision of the bill may be increased by not more than 10 percent of the amount appropriated pursuant to that provision (including any unexpended balances carried over), through a transfer from the funds available to carry out any other provision, so long as the latter funds are not reduced, by reason of the transfer, by more than 10 percent of the amount appropriated (including carryover) pursuant to that provision.

The Senate amendment provided broader transfer authority. It fixed no limit on the amount by which any funds may be increased by such a transfer. Also, because the Senate amendment applied the 10 percent limit on reductions to the total amounts available under titles, chapters, and sections, it permitted a greater than 10 percent reduction in the case of funds (such as those for defense support for Europe) appropriated pursuant to a provision within a section.

The committee of conference adopted the language of the House bill except that limit on the increase of any provision by transfer was made 20 percent. This change would make possible a more adequate increase to meet unforeseen developments in the case of certain small authorizations where a 10 percent increase, as provided in the House bill, would permit the transfer of an inadequate sum.

TERMINATION OF ASSISTANCE (SEC. 503)

The committee of conference recognized a certain danger in maintaining a separate agency concerned exclusively with the administration of foreign aid. There is inevitably a tendency for such an agency to regard the supplying of aid to foreign nations as a normal, continuing process.

The committee of conference believes that aid to other countries should be supplied only in exceptional circumstances to meet specific situations. Although the United States may be required to give aid every year during the period of acute danger from the Soviet Union, each total annual program should be made up of individual temporary programs to meet emergency situations in particular countries or areas.

It is desirable that permanent legislation be in effect, setting forth the conditions, procedures and limitations of such aid programs, in order that assistance can be given promptly and effectively when necessary.

It is not desirable to maintain a special agency devoted to developing and administering assistance programs throughout the world. Under the circumstances such programs tend to become an end in themselves. Instead, the regular departments of Government responsible for foreign policy and for defense should exercise the legislative authority which this bill provides to make available necessary aid when an emergency justifies such action. There should be no incentive, however, for those responsible for such action to perpetuate these aid programs.

For these reasons the committee of conference agreed to a provision specifically terminating the Foreign Operations Administration on June 30, 1955, and providing for the transfer of its remaining functions to appropriate departments of the executive branch.

LOANS (SEC. 505)

The House bill provided that not less than 10 percent of the amounts obligated from appropriations made under titles I and II of the bill (excluding amounts carried over from prior appropriations) shall be used to make loans. The Senate amendment provided that of the funds made available under the bill (excluding military assistance funds, but including foreign currencies accruing under section 402, the surplus agricultural commodity program) the equivalent of not less than $150 million shall be used to make loans.

The conference agreement provides that not less than $200,000,000 shall be used to make loans and funds under chapter 1 of title I (direct military) are included within this provision. The percentage provision of the House bill would have required that approximately $300,000,000 would be loaned. The figure agreed upon reflects the evaluation of the committee of conference of the possibilities for using funds effectively on a loan basis.

SHIPPING ON UNITED STATES VESSELS (SEC. 509)

The Senate amendment contained language not included in the House bill which made clear that 50 percent of cargoes destined for joint control areas should be transported on United States vessels and that shipments on United States vessels should only be made when the rates are fair and reasonable.

The managers on the part of the House accepted this language since it is consistent with and clarifies the intent of the House.

NOTICE TO LEGISLATIVE COMMITTEES (SEC. 513)

The House bill required notice to be given to the appropriate committees of Congress whenever action is taken under the bill which will result in furnishing assistance substantially different from the program presented to the Congress during its consideration of the bill. The Senate amendment replaced this provision with a provision requiring that the appropriate committees be kept currently informed of substantial changes in programs and of the reasons therefor, except for changes directly resulting from changes made by Congress in the legislative proposals submitted by the executive branch.

The committee of conference adopted the House language with one clarifying modification. Particular attention was given to the danger that this requirement might impose an intolerable administrative burden on the executive branch in reporting program changes. The conclusion was reached that the requirements of this section need not impose an undue administrative burden on the Executive. It is not required or desired that day-to-day operating adjustments in programs should be reported to the committees of Congress. It is anticipated that a new type of cooperation between the administrators of the mutual security program and the committees of Congress will result from the enactment of this section.

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES (SEC. 514)

The Senate amendment included a provision authorizing the Secretary of the Treasury to reserve, at the request of the Secretary of State, foreign currencies owed to or owned by the United States for sale to the Department of State for use in the international educational exchange program (Fulbright). Sales of such currencies on the basis of the dollar value at the time of reservation was authorized.

The managers on the part of the House accepted the Senate provision. All local currencies used in this program must be purchased from the United States Treasury with dollars appropriated by the Congress, and these dollars are specifically limited for use to purchase such foreign currencies. If such foreign currencies are not available in the United States Treasury, these dollars cannot be used and the educational exchange program is correspondingly reduced.

DELEGATION OF AUTHORITY BY THE PRESIDENT—TECHNICAL COOPERATION (SEC. 521)

The House bill provided that the President "may exercise any power or authority conferred on him by this act through such agency or officer of the United States as he shall direct." The Senate amendment contained the same provision but added a mandate that after June 30, 1955, the President shall exercise the powers conferred upon him under title III (technical cooperation) through the Secretary of State.

It was the view of the committee of conference that the technical cooperation program is a long-range program representing an important feature of United States foreign policy, and hence should be placed in the Department of State following the termination of the Foreign Operations Administration. The conference agreement reflects this view by including the additional Senate language.

EMPLOYMENT OF PERSONNEL (SEC. 527 (C) (1))

The Senate amendment provided that section 1005 of the Foreign Service Act shall apply to persons employed or assigned under section 527 of the bill by the Director of the Foreign Operations Administration to carry out mutual security programs abroad. Section 1005 of the Foreign Service Act includes a prohibition against the application of any political test in employment matters. No such provision was included in the House bill.

In order to make possible the appointment of policymaking officials who are in full sympathy with the program of the Administration the conference agreement incorporates the Senate language with a modification exempting policymaking officials from the operation of section 1005 of the Foreign Service Act.

WAIVERS OF CERTAIN FEDERAL LAWS (SEC. 533)

The Senate amendment included authorization for the President to waive provisions of law relating to the making of contracts and the expenditure of Government funds. An identical provision was stricken from the bill by the House.

The managers on the part of the House accepted the Senate language with an amendment which does not permit waiving the provisions of the Renegotiation Act of 1951. It is understood that this amendment meets the objection raised to this section in the House.

Under the Renegotiation Act the Renegotiation Board has authority to waive the applicability of renegotiation to any contract

entered into with a foreign entity upon recommendation of an executive department.

ROBERT B. CHIPERFIELD,
JOHN M. VORYS,
WALTER H. JUDD,
THOMAS S. GORDON,
LAURIE BATTLE,
Managers on the Part of the House.

Mr. GROSS. Mr. Speaker, I make the point of order that certain Members of the House of Representatives exceeded their authority in connection with the conference report on the bill H. R. 9678; that therefore the pending conference report is improperly before the House.

Mr. Speaker, I submit that the rules of the House provide clear language with respect to procedure by which the House agrees to a conference and authority is given for the appointment of conferees or managers on the part of the House.

I call attention to the fact that the House of Representatives met at 12 o'clock noon on August 4, 1954; that thereafter a message was received from the Senate informing the House that the other body had passed H. R. 9678, with an amendment in which the concurrence of the House was requested; that later in the House session of the afternoon of August 4, 1954, the gentleman from Ohio [Mr. VORYS] asked unanimous consent to take from the Speaker's desk the bill H. R. 9678, disagree to the Senate amendment, and agree to the conference asked by the other body. Subsequently, on the afternoon of August 4, 1954, the Chair appointed conferees on the part of the House.

Mr. Speaker, I make the point of order that even before the papers were received from the other body, requesting a conference on the part of the House, before authority was given by the House for a conference, and well before the formal appointment of conferees on the part of the House, certain Members of the House of Representatives had apparently designated themselves as conferees and entered into agreement on one or more substantial issues in disagreement in connection with the bill H. R. 9678; that such agreement or agreements were entered into even before the House of Representatives formally and officially convened at 12 o'clock noon on August 4, 1954, and gave assent to a conference.

I further point out that President Eisenhower, at his press conference on or about 10:30 o'clock in the morning of August 4, 1954, deplored a substantial reduction in funds authorized under H. R. 9678; that a member of the alleged conference between the two bodies publicly stated that even before the President made his statement an agreement had been reached to restore these funds at least in part.

Mr. Speaker, I can find no precedent which permits Members of the House to enter into a conference without first obtaining authority from the House for so doing. The weight of all precedents governs from the initial authority for a conference, the appointment of conferees and their conduct flow therefrom.

Mr. Speaker, I respectfully submit that the rules of the House are clearly set aside when Members of the House of Representatives, whether from the Foreign Affairs Committee or any other committee, designate themselves as conferees or managers on the part of the House and enter into alleged conference agreements without direct authority on the part of the House.

I insist, Mr. Speaker, that if such action is tolerated, the well-defined rule providing for the instruction of conferees or managers on the part of the House, and other vital rules pertaining to conference procedure will be made meaningless, and lead to procedural chaos.

I ask that the point of order be sustained, Mr. Speaker, and that the bill, H. R. 9678, be returned to the status it occupied before being sent to conference.

The SPEAKER. The Chair wishes to state on the gentleman's point of order that he has no cognizance of informal meetings that may have been held. As a matter of fact, he would not know what Members were doing if they met informally in a group to discuss any specific subject. All the Chair can do is to take the report that is here. All 10 signatures are on the conference report. The conference report is here in a legal manner.

Therefore, the Chair overrules the point of order.

Mr. VORYS. Mr. Speaker, we are now taking up a conference report on an authorization bill after the appropriations it was supposed to have authorized have passed the House and also have been acted on by the appropriate committee in the other body. Therefore, a great deal of the excitement has gone from this measure.

The amount of appropriations passed by the House and those that are tentatively adopted by the committee in the other body are below the amount authorized by the conference report. That is another reason the conference report is not very exciting. Of course, the amounts in this bill are limitations on appropriations, and provide ceilings, not money.

The House provided a bill for 1955 authorizations of appropriations of $3,368,608,000. We had future authorizations for infrastructure and certain authorizations on which there were no limits. That is, in this legislation, on the large important items, we put limits on the authorizations, but there are some items on which we put no limits on appropriations. This is the case in the authorizations in many of the legislative committees, as you well know. In any case, what was done on limitations of amounts in the committee of conference was this: The conferees legally met and started to confer. They were faced by the fact that the House had already acted on the appropriation under a special rule, and the other body was starting to act. So we split the difference between our two bills. We threw off about $314 million. They did the same. We came out with an authorization figure for the fiscal year 1955 of $3,054,568,000. The only amount for future appropriation on which any authorization was limited was for future slices of infrastructure, of $198,300,000.

Possibly the most significant thing done in the conference was the agreement on termination. Under the conference agreement the Foreign Operations Administration is to be terminated at the close of business on June 30, 1955. For the first time in many years, we will not have any independent agency or semi-independent agency dispensing foreign aid. From that time on the regular departments will take over such activities as will proceed under this program.

On June 30, 1955, title II, Development Assistance, will also terminate, with 1 year after that, to liquidate and wind up and transfer their affairs to the regular departments.

Title I, military assistance, has no termination date in it, nor has title III, technical assistance. We did not want to tell Congress, our own people, our allies, or our enemies that we were going to terminate military assistance to those who are ready, able, and willing to fight in the common cause until such time as the threat by our enemies ceased. We did not want to place any date on the windup of this technical assistance program which has been so popular and so valuable.

Title IV contains certain other programs which will be continued under the regular departments.

This labor of your committee replaces 14 scattered bills and laws and establishes, I think, a more coherent and consistent administration for the implementation of the foreign policy of the United States under President Eisenhower.

Mr. Speaker, I now yield to our distinguished chairman.

Mr. CHIPERFIELD. Mr. Speaker, first of all, as chairman of the Foreign Affairs Committee, I want to thank every member of my committee for the conscientious job they did while considering this mutual-security bill. Not only in the hearings before the Foreign Affairs Committee, but subsequently on the floor of the House.

I also want to commend the House conferees for their conscientious work in bringing to the House this conference report. I am of the firm opinion it reflects the views of the great majority of the House.

In passing I cannot help but pay tribute to the entire staff of the committee for the splendid work they have done and their untiring efforts in behalf of the committee.

It is most difficult to pick out one member of the committee for his outstanding work but every Member in this House knows that the distinguished gentleman from Ohio [Mr. VORYS], has done a magnificent job, both in committee and handling this bill on the floor and I believe the House owes him a debt of gratitude for his efforts.

Mr. Speaker, in my opinion, one of the most outstanding accomplishments of your House conferees is that they made a reduction in conference of $314 million from the House bill. At first blush one would think this was not carrying out the will of the House, but when you take into consideration that the House passed an appropriation bill on this subject which was about the same amount

below the House authorization bill, one finds that the conferees have very accurately reflected the views of the House.

It seems to me it would be well at this point to call to the attention of the House the general trend which this legislation has taken. In 1952 President Truman, in his last budget request, asked for $7.9 billion for foreign aid. President Eisenhower asked for $3.6 billion this year. While legislative action is not complete on this year's foreign-aid bill, it cannot be much more than $3 billion and will probably be less. There is no doubt but this session of Congress will cut our foreign aid more than 50 percent below the 1952 figure.

Another significant feature of this bill has been the changing pattern of foreign aid from economic to military. We all recall that under the Marshall plan foreign aid was almost 100 percent economic, but with the initiation of the mutual-security bill there has been a most significant change until now this year's bill carries between 75 and 85 percent for military support to our allies and only a relatively small proportion for economic aid which is largely devoted to carrying out the point 4 program. So we have seen a shift from 2 years ago when our aid was about equally divided between economic and military to the vast majority of our aid being for military purposes to our allies for our own security and the defense of the free world.

This means virtually abandoning economic aid per se. If the need for foreign aid is due to the continued pressures of the Soviet on the free world then we ought to get out of the economic aid business and limit our assistance to military goods and supporting equipment that will make it possible for us and our friends to defend ourselves.

One of the most important successes won by the House conferees in their negotiations with the Senate conferees involved the disposal of United States surplus agricultural commodities. A total of $350 million of the funds available are to be used only to pay for surplus farm products. As a result of insistence by the House conferees language was included requiring that these American farm products be sold rather than given away to foreign nations receiving United States aid. Such sales will be made for foreign currencies rather than United States dollars but these currencies will belong to the United States and will be subject to United States control. We can use that local money to pay for things we have to buy in those countries. It saves our taxpayers their hard-earned dollars and at the same time helps us get the items we need.

This year the House insisted on putting in a loan provision. Instead of giving this money away, we are willing to lend some of it. This is a new departure—but I hope one that will be followed more frequently. Under the new bill not less than $200 million can be used only to make loans and should result in a subsequent saving of this amount for our hard-pressed taxpayers.

In its final form, the bill retains the provision which originated in the House Foreign Affairs Committee limiting offshore procurement. Before funds authorized in this bill are used to buy military equipment in foreign countries the President has to consider whether such procurement will have an adverse effect on the United States economy, particularly in areas where unemployment exists. This restriction will result in channeling a significant amount of the funds provided by the bill into United States manufacturing communities.

But the most important thing of all that your conferees accomplished was the way they terminated the Foreign Operations Administration at the end of the current fiscal year. Your conferees did not terminate the military or the point 4 programs because they realized it would be necessary for them to continue for a considerable period of time. The FOA never particularly objected before to an across-the-board termination date being put into this bill because they knew that the necessity of continuing military and point 4 aid would automatically continue the agency.

This separate agency's functions of dispensing economic aid and other minor programs could well be handled by other permanent agencies without it being perpetuated.

The reason why it is necessary to continue military aid is obvious. While we do not know the answers to many important questions, however, we do know the Soviet threat still confronts us and that it has not diminished in any way.

For example, we do not yet know the answers in southeast Asia. The armistice in Indochina has created new problems and new uncertainties. The full consequences of recent developments in that area are not yet known. The hostilities there were not our war and the cease-fire agreements bringing the fighting to an end were not our agreements. Nevertheless, we must recognize that the situation which remains in that part of the world constitutes a threat to the security of the United States. We have recognized that fact by shifting our major emphasis from military aid to Europe to equal emphasis in that area.

It is, therefore, plain that as long as the Soviet threat continues, for our own security and defense we must help those who will help us defend the free world.

If war should come I want it fought as far away from our shores as possible. I do not want to fight it alone but want the help of all the allies we can secure on our side. We never should put ourselves in the position of being the sole gladiator to save the world.

One of the most popular programs which we have initiated is the rehabilitation of backward countries—the point 4 program. In my opinion we get more for our money from this type of program than any other. But under the administration of this program there was a decided tendency to broaden out its scope and instead of confining it to technical assistance, scientific advice, and so forth, it was rapidly becoming a worldwide WPA. Instead of giving limited technical assistance and cooperation we found ourselves building huge dams, watersheds, powerplants, and other industrial projects which certainly should not be under this program and should not be in the form of grants but if undertaken at all should be made in the form of loans. It believe the Foreign Affairs Committee should be congratulated in the provision that it has inserted in this bill which limits the jurisdiction and the scope of the technical assistance program to its original purposes.

So it is clear that by the continuation of the military and point 4 programs an opportunity is presented to discontinue the separate FOA agency. This clears the way for elimination of economic aid.

The bill recognizes the undesirability of maintaining an agency concerned exclusively with the administration of foreign aid. There is inevitably a tendency for such an agency to regard the supplying of aid to foreign nations as a normal, continuing process.

Aid to other countries should be supplied only in exceptional circumstances to meet specific situations. It is not desirable to maintain a special agency devoted to developing and administering assistance programs throughout the world. Under the circumstances such programs tend to become an end in themselves.

Instead, the regular departments of Government responsible for foreign policy and for defense will exercise the legislative authority which this bill provides to make available necessary aid when an emergency justifies such action and not a separate agency such as FOA. There should be no incentive, however, for those responsible for such action to perpetuate these aid programs.

Mr. Speaker, I urge the adoption of this conference report regardless of the questions and difficulties which I have raised. We must act. We cannot wait for the dust to settle. The men in the Kremlin must know that the United States has at hand the means of meeting any situations with which we are confronted.

Mr. VORYS. Mr. Speaker, I now yield to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Speaker, I believe that the conference report on H. R. 9678 represents a fair compromise between the bill that passed the House and the bill that passed the Senate and I am convinced that it is the best agreement which was obtainable.

In the case of the mutual security bill, as is the case of most legislation, there were important differences between the House and Senate versions. Under the circumstances we cannot expect that the other body will recede on all points and that the House bill will emerge from conference without change.

The authorization of funds was compromised on a strictly 50–50 basis. The Senate went up and the House went down by an equal amount. The details of the funds are shown in the statement of managers. I can think of no more equitable way of reconciling these differences.

In general, it can be fairly said that the House insisted on provisions which tighten the administrative control of the program.

In the case of transfers authorized for one purpose—such as military—to

another purpose—such as development assistance—the House was able to retain a limitation that no authorization could be increased by more than a designated percentage. No such limitation was in the Senate bill nor in previous legislation. This will prevent transferring a large sum from a large authorization into a small authorization with the result that an amount several times as large as that voted by the Congress for a specific purpose may be made available. The percentage for this type of transfer in the House bill was 10 percent and the conference agreement raised this to 20 percent. Nevertheless, the Senate bill had contained no limitation of this nature.

The conference agreement also preserves the language of the House bill, requiring that the committees of Congress be given much more detailed and frequent reports of changes in the mutual security program than was formerly the case. This requirement is intended to prevent the tendency, manifested in a number of instances during the last fiscal year, of the administrators of the program to submit to the Foreign Affairs Committee detailed figures for their anticipated programs in a country and then carry out entirely different programs there.

I am glad to report that the House conferees receded on one important point. The conference agreement contains a provision that the overseas personnel hired under this legislation shall not be subject to any political test for employment except for policy making officials.

The conferees worked hard and there were many technical provisions that required careful attention. I feel that a good job has been done and that the House should accept this report.

Mr. VORYS. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I want to call attention to one section in the MSA bill and in the conference report, in part to make clear to the agency that will administer this law the plain intent of the Congress. It is section 402, which earmarks $350 million of the funds authorized to be made available under this act to be used only for the export and sale for foreign currencies of surplus agricultural commodities.

The Members of the House will remember that last year there was put into the MSA bill in conference section 550, which the administrative agencies did not welcome because they would like to have had a wholly free hand. It required that they use not less than $100 million and not more than $250 million to purchase our surplus agricultural commodities and export them for sale in lieu of American dollars or other means of giving assistance. When compelled by the law to use that procedure, they disposed of $245 million worth of surplus agricultural commodities abroad during the last fiscal year.

The program has proved remarkably successful and has moved more surplus commodities into useful commerce than any other provision of law. But, like all new programs, it needed to be reviewed. The main provisions of section 550 had been incorporated into a new bill by the Committee on Agriculture and passed by the House some weeks ago as the so-called Agricultural Trade Development and Assistance Act. So the part of the foreign-aid legislation last year which dealt with use of agricultural surpluses had been removed and was now in agricultural legislation. Hence, we had to write section 402 so as to try to tie these two programs together, one to be administered by the Department of Agriculture under the bill from the Committee on Agriculture and the other by the FOA in the promotion of our foreign policy.

There are four points that ought to be made perfectly clear from the language of the act itself in section 402 and the comments on it in the conference report on page 41. The first point is that at least $350 million of the funds appropriated must be used to finance the export and sale for foreign currencies of surplus agricultural commodities.

The agencies preferred authorization to let them either give away or sell the commodities. The conference report makes clear that they must sell, or else not use that amount of money at all. The foreign currencies received accrue to the credit of the United States. They are not owned by the recipient countries as are counterpart funds generated by grants. They are not jointly owned. They are owned by the United States. Therefore, they can be controlled by the United States and can be used to further other proper interests of the United States than just assistance to the countries, in helping them strengthen their defenses, which is the main objective of the Mutual Security Act.

Second, the commodities will have to be sold under uniform procedures. In the past, there has been an occasion or two where the Commodity Credit Corporation or the Department of Agriculture was selling at world prices as they are required to by the law, but the FOA was making some offers at the prices prevailing within a purchasing country which were below world prices. Such a practice could lead both to dumping and to chaos in the foreign disposal of our surplus commodities. So this bill makes clear that whatever Government agency is handling the sale abroad of these commodities, the operations and procedures and practices must be uniform, and in accordance with criteria established in the Agricultural Trade Development and Assistance Act. The foreign governments must not be permited to go from one agency of the United States to another agency and bargain back and forth with the idea they can get a better deal with one than with the other. So far as prices are concerned, and the use of private channels of trade, all transactions of this sort must be in accordance with uniform procedures.

Third, the agency managing the sale abroad of surplus commodities under this act and handling the foreign currencies received must constantly keep a weather eye open, if I may put it that way, for the interests of the United States, its trade, its markets, its sources of raw materials, while helping to build up the economy, military and political strength of friendly countries. Under section 104 of the Agricultural Trade Development and Assistance Act of 1954, one of the purposes for which the foreign currencies received shall be used is to "help develop new markets for United States agricultural commodities on a mutually advantageous basis."

Another objective is "to promote balanced economic development and trade among the nations." That is, in addition to serving the purposes of the Mutual Security Act, these currencies are to be used to serve the legitimate objective of developing expanding markets for our own commodities. There is a direction in the law to administer the program in such a way.

A fourth point is that these foreign currencies can be applied against the loan requirements under the act. At least $200 million of the funds authorized to be made available must be in the form of loans for repayment, not just grants. These foreign currencies as well as dollars can be used to satisfy that requirement for loans.

Mr. Speaker, I wanted to make these points—merely for amplification of section 402 and in a sense to be a direction to those who are to administer the act.

GENERAL LEAVE TO EXTEND

Mr. VORYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks.

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

There was no objection.

Mr. GROSS. Mr. Speaker will the gentleman yield for a question?

Mr. VORYS. I yield.

Mr. GROSS. Section 533 contains a waiver of certain Federal laws. That was stricken in the House, was it not?

Mr. VORYS. Yes.

Mr. GROSS. And the managers on the part of the House agreed to the reinsertion of that—on what basis?

Mr. VORYS. You will remember the gentleman from Missouri [Mr. CURTIS] made a very able and compelling argument in the House in which he pointed out that the language which had been in the law since the ECA as it was in the House bill contained a waiver of provisions of the Renegotiation Act, and the entire waiver provision was stricken. Mr. CURTIS admitted later that some such waiver language was needed and, therefore, the conferees agreed to the waiver but exempted from the waiver the provisions of the Renegotiation Act of 1951. We had in the conference a series of laws which it was necessary to waive at times due to the fact that our offshore contracts are with foreign countries.

Mr. GROSS. Of course, the gentleman remembers that I offered an amendment.

Mr. VORYS. Yes.

Mr. GROSS. And it was stricken out by a vote of 122 to 70 or some such vote. If the gentleman will bear with me just a moment the gentleman understands that this sets aside many other laws besides the Buy American Act and any number of other laws. I could give him

a recapitulation of the laws that are set aside.

Mr. VORYS. Yes; the conferees had them and they were also referred to in the House reports so that we were quite familiar with them. Remember, this refers only to contract and accounting requirements. The laws waived are listed in Executive Order 10519. This is needed to relieve procurement, shipment, and similar operations from technical restrictions that are unnecessary and cumbersome in connection with these overseas operations.

Mr. GROSS. Also, this provides that the President may spend the funds appropriated under this act in any way he may specify, is that not true?

Mr. VORYS. No, I do not think so. Other provisions in this bill apply to that. I will say to the gentleman that on that amendment, as on some others, what we had to do was to arrive at some ground with the other body where we could get together. They felt that they dropped out more of their bill than we did of ours. What we had to do was to split the difference on certain items and change the language around on others so that we could arrive at an agreement, as is nearly always the case with a conference report.

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

Mr. VORYS. I yield.

Mr. SMITH of Wisconsin. Under the provisions for the purchase of agricultural surpluses, can the gentleman tell me how much is allowed for the purchase of dairy products?

Mr. VORYS. The whole $350 million could be spent for dairy products, but I presume possibly they may pass it around a little. There is no specification of the amount for any particular surplus product.

Mr. JUDD. If the gentleman will yield, it depends upon how many buyers they can find for the surplus commodities. This is not a grant. If it were a grant we could have written a directive that a certain percentage of the amount should be for this or that product, but this goes where we have to get people to buy our surplus commodities and pay for them.

Mr. SMITH of Wisconsin. Is it not also whether the State Department wants to send our surpluses abroad?

Mr. JUDD. They have to send at least $350 million abroad under this, or not use the money at all.

Mr. VORYS. Under this provision they either spend the $350 million for surplus agricultural products, as the gentleman from Minnesota [Mr. JUDD] has described, and I want to pay my compliments and the compliments of the committee and the conferees for the able work the gentleman from Minnesota has done on this, they either spend it for that or they do not spend it at all.

Mr. SMITH of Wisconsin. But this is all one lump sum, and, as you say, can be used for any agricultural product?

Mr. VORYS. Any surplus agricultural product.

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

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

Mr. SAYLOR. Is that fund in addition to the amount provided in section 415, which provides that in order to assist the international organization they are authorized to expend funds provided in section 131 and section 403 for strategic stockpiling of foodstuffs and other supplies?

Mr. VORYS. Yes. The strategic stockpile of foodstuffs would not come out of the $350 million, I believe.

Mr. JUDD. That is right.

Mr. VORYS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. GROSS. Unqualifiedly and unequivocally.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion.

The Clerk read as follows:

Mr. GROSS moves to recommit the conference report to the committee of conference with instructions to the managers on the part of the House to insist on disagreement to that portion of the Senate amendment designated as section 533, "Waivers of certain Federal Laws."

Mr. VORYS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced the ayes appeared to have it.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] A quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were—yeas 96, nays 267, not voting 69, as follows:

[Roll No. 140]

YEAS—96

Abernethy	Coon	Laird
Adair	Cunningham	Long
Albert	Davis, Wis.	Lovre
Alexander	Dempsey	McCulloch
Andersen, H. Carl.	Dolliver	McGregor
	Dowdy	McMillan
Andrews	Fisher	McVey
Ashmore	Forrester	Mack, Wash.
Bailey	Fountain	Martin, Iowa
Beamer	Gentry	Miller, Nebr.
Bennett, Fla.	George	Mills
Bennett, Mich.	Grant	Morrison
Berry	Gross	Moulder
Betts	Hagen, Minn.	Nicholson
Bishop	Haley	Norrell
Bonner	Hand	O'Hara, Minn.
Bow	Hardy	O'Konski
Bray	Harrison, Nebr.	Passman
Brooks, La.	Herlong	Phillips
Brown, Ohio	Hillelson	Reed, Ill.
Budge	Hoeven	Rogers, Tex.
Burdick	Hoffman, Mich.	Scherer
Carlyle	Hruska	Short
Cederberg	Jensen	Sikes
Church	Jonas, N. C.	Simpson, Ill.
Clevenger	Jones, Mo.	Smith, Kans.
Cole, Mo.	Jones, N. C.	Smith, Wis.
Colmer	Knox	Stringfellow
Cooley	Krueger	Talle
Teague	Velde	Winstead
Thomas	Whitten	Young
Thompson, La.	Williams, Miss.	
Van Pelt	Willis	

NAYS—267

Abbitt	Gary	Neal
Addonizio	Gathings	Oakman
Allen, Calif.	Gavin	O'Brien, Ill.
Allen, Ill.	Goodwin	O'Brien, N. Y.
Arends	Gordon	O'Hara, Ill.
Aspinall	Granahan	O'Neill
Auchincloss	Green	Osmers
Ayres	Gregory	Ostertag
Baker	Hagen, Calif.	Patman
Bates	Hale	Pelly
Battle	Harden	Perkins
Becker	Harris	Pfost
Bender	Harrison, Va.	Philbin
Blatnik	Harvey	Pilcher
Boland	Hays, Ark.	Pillion
Bolling	Hays, Ohio	Poage
Bolton, Frances P.	Hébert	Poff
	Heselton	Polk
Bolton, Oliver P.	Hess	Price
	Hiestand	Priest
Bonin	Hinshaw	Prouty
Bosch	Holifield	Rabaut
Bowler	Holmes	Radwan
Bramblett	Holt	Ray
Brooks, Tex.	Holtzman	Rayburn
Brown, Ga.	Hope	Reams
Brownson	Horan	Reece, Tenn.
Broyhill	Hosmer	Rees, Kans.
Buchanan	Howell	Rhodes, Ariz.
Burleson	Hunter	Rhodes, Pa.
Bush	Hyde	Richards
Byrd	Ikard	Riehlman
Byrne, Pa.	Jackson	Riley
Byrnes, Wis.	James	Roberts
Campbell	Jarman	Robeson, Va.
Cannon	Javits	Robsion, Ky.
Carnahan	Jenkins	Rodino
Carrigg	Johnson, Calif.	Rogers, Colo.
Celler	Johnson, Wis.	Rogers, Fla.
Chelf	Jones, Ala.	Rogers, Mass.
Chenoweth	Judd	Rooney
Chiperfield	Karsten, Mo.	Sadlak
Chudoff	Kean	St. George
Cole, N. Y.	Kearney	Saylor
Cooper	Kearns	Schenck
Corbett	Keating	Scott
Coudert	Kee	Scudder
Cretella	Kelley, Pa.	Seely-Brown
Crosser	Kelly, N. Y.	Selden
Crumpacker	Keogh	Shelley
Curtis, Mass.	Kersten, Wis.	Sheppard
Curtis, Mo.	Kilday	Shuford
Dague	King, Calif.	Small
Davis, Ga.	King, Pa.	Smith, Miss.
Davis, Tenn.	Kirwan	Smith, Va.
Dawson, Utah	Klein	Springer
Deane	Kluczynski	Staggers
Delaney	Landrum	Stauffer
Derounian	Lane	Steed
Devereux	Lanham	Sullivan
D'Ewart	Latham	Taber
Dingell	Lesinski	Taylor
Dodd	Lipscomb	Thornberry
Dollinger	McCarthy	Tollefson
Dondero	McConnell	Trimble
Donohue	McDonough	Tuck
Donovan	McIntire	Utt
Dorn, N. Y.	Mack, Ill.	Van Zandt
Doyle	Madden	Vorys
Durham	Magnuson	Vursell
Eberharter	Mahon	Wainwright
Edmondson	Mailliard	Walter
Elliott	Marshall	Wampler
Ellsworth	Matthews	Warburton
Engle	Meader	Watts
Fallon	Merrill	Westland
Feighan	Merrow	Wickersham
Fenton	Metcalf	Widnall
Fernandez	Miller, Calif.	Wier
Fine	Miller, Kans.	Wigglesworth
Fino	Miller, Md.	William, N. J.
Fogarty	Miller, N. Y.	William, N. Y.
Forand	Mollohan	Wilson, Calif.
Ford	Morano	Wilson, Ind.
Frazier	Morgan	Wolverton
Frelinghuysen	Moss	Yates
Friedel	Multer	Yorty
Fulton	Mumma	Younger
Gamble	Murray	Zablocki
Garmatz	Natcher	

NOT VOTING—69

Andresen, August H.	Bentsen	Clardy
	Boggs	Condon
Angell	Boykin	Cotton
Barden	Buckley	Curtis, Nebr.
Barrett	Busbey	Dawson, Ill.
Belcher	Canfield	Dies
Bentley	Chatham	Dorn, S. C.

Evins	McCormack	Shafer
Golden	Machrowicz	Sheehan
Graham	Mason	Sieminski
Gubser	Nelson	Simpson, Pa.
Gwinn	Norblad	Spence
Halleck	O'Brien, Mich.	Sutton
Harrison, Wyo.	Patten	Thompson, Mich.
Hart	Patterson	Thompson, Tex.
Hill	Powell	Vinson
Hillings	Preston	Weichel
Hoffman, Ill.	Rains	Wharton
Jonas, Ill.	Reed, N. Y.	Wheeler
Kilburn	Regan	Wilson, Tex.
Lantaff	Rivers	Withrow
LeCompte	Roosevelt	Wolcott
Lucas	Scrivner	
Lyle	Secrest	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dies for, with Mr. Halleck against.

Mr. Jonas of Illinois for, with Mr. McCormack against.

Mr. Curtis of Nebraska for, with Mr. Roosevelt against.

Mr. Dorn of South Carolina for, with Mr. Canfield against.

Mr. Harrison of Wyoming for, with Mr. Chatham against.

Mr. Patten for, with Mr. Simpson of Pennsylvania against.

Mr. Bentsen for, with Mr. Vinson against.

Mr. Lyle for, with Mr. Preston against.

Mr. Hoffman of Illinois for, with Mr. Rains against.

Mr. Mason for, with Mr. Barrett against.

Mr. Sheehan for, with Mr. Buckley against.

Mr. Busbey for, with Mr. Thompson of Texas against.

Mr. Weichel for, with Mr. Boggs against.

Mr. Wilson of Texas for, with Mr. Patterson against.

Until further notice:

Mr. Kilburn with Mr. Barden.

Mr. LeCompte with Mr. Lantaff.

Mr. Cotton with Mr. Machrowicz.

Mr. Bentley with Mr. Spence.

Mr. Clardy with Mr. Rivers.

Mr. Wharton with Mr. Regan.

Mr. Wolcott with Mr. Powell.

Mr. August H. Andresen with Mr. O'Brien of Michigan.

Mr. Angell with Mr. Evins.

Mr. Hill with Mr. Condon.

Mr. Scrivner with Mr. Dawson of Illinois.

Mr. Withrow with Mr. Hart.

Mr. Shafer with Mr. Wheeler.

Mr. Graham with Mr. Sutton.

Mr. Gubser with Mr. Sieminski.

Mr. Golden with Mr. Secrest.

Mr. Norblad with Mr. Boykin.

Mr. BETTS changed his vote from "nay" to "yea."

Mr. HILLELSON changed his vote from "nay" to "yea."

Mr. SIKES changed his vote from "nay" to "yea."

Mr. FERNANDEZ changed his vote from "yea" to "nay."

Mr. WOLVERTON changed his vote from "yea" to "nay."

Mr. HARRISON of Nebraska changed his vote from "nay" to "yea."

Mr. FISHER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 202, noes 55.

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

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. VELDE. Mr. Speaker, I ask unanimous consent that the Committee on Un-American Activities have until midnight tonight to file a report on the bill H. R. 9838.

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

Mr. WALTER. Mr. Speaker, I object.

DISTRICT OF COLUMBIA LEGISLATION

The SPEAKER. This is District of Columbia day. The gentleman from Minnesota [Mr. O'HARA] is recognized.

PROVIDING THAT THE METROPOLITAN POLICE FORCE SHALL KEEP ARREST BOOKS WHICH ARE OPEN TO PUBLIC INSPECTION

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3655) to provide that the Metropolitan Police force shall keep arrest books which are open to public inspection, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

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

There was no objection.

Mr. McMILLAN. Mr. Speaker, reserving the right to object, will the gentleman from Minnesota explain the bill?

Mr. O'HARA of Minnesota. I explained the bill last week, but I will be glad to explain it again.

The purpose of the legislation is to provide that the Metropolitan Police shall keep arrest books which are open to public inspection.

Mr. McMILLAN. Does the gentleman intend to offer any amendment to the bill?

Mr. O'HARA of Minnesota. No; I have no amendment to offer to the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 386 of the Revised Statutes, relating to the District of Columbia, as amended (D. C. Code, sec. 4–134), is amended by striking out the word "and" at the end of paragraph (3); by renumbering paragraph (4) as paragraph (5); and by inserting between paragraphs (4) and (5) the following new paragraph:

"(4) Arrest books, which shall contain the following information:

"(a) Case number, date of arrest, and time of recording arrest in arrest book;

"(b) Name, address, date of birth, color, birthplace, occupation, and marital status of person arrested;

"(c) Offense with which person arrested was charged and place where person was arrested;

"(d) Name and address of complainant;

"(e) Name of arresting officer; and

"(f) Disposition of case; and."

SEC. 2. Section 389 of the Revised Statutes, relating to the District of Columbia, as amended (D. C. Code, sec. 4–135), is amended to read as follows:

"SEC. 389. The records to be kept by paragraphs (1), (2), (3), and (4) of section 386 shall be open to public inspection when not in actual use and this requirement shall be enforceable by mandatory injunction issued by the United States District Court for the District of Columbia on the application of any person."

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.

AMENDING ALLEY DWELLING ACT

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (S. 3506) to repeal the act approved September 25, 1914, and to amend the act approved June 12, 1934, both relating to alley dwellings in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

Mr. McMILLAN. Mr. Speaker, reserving the right to object, does the gentleman have any objection to the amendment in the bill?

Mr. O'HARA of Minnesota. Yes; I am going to make a point of order against the amendments.

Mr. McMILLAN. Will the gentleman tell me why there is so much objection to the amendment?

Mr. O'HARA of Minnesota. I will be happy to.

The amendment is not germane to the bill; it has nothing to do with the bill which was passed by the Senate.

I am in sympathy with the gentleman's amendment to the extent that I voted for it last year, and the bill was vetoed. The amendment involved another filling station.

It is objectionable because of the stand taken by the District Commissioners, the corporation counsel, and the Planning Commission for the District of Columbia dealing with this problem.

They advised me that the entire problem must be dealt with by new regulations and possibly new legislation which will be before us probably the first part of the year; not discriminating by singling out just one instance.

Mr. McMILLAN. I thought the Zoning Act stated that the Congress should and could make regulations to change this act at its will.

Mr. O'HARA of Minnesota. I do not know whether it does; but, of course, the Congress has the right to change any law.

Mr. McMILLAN. Mr. Speaker, I withdraw my reservation of objection.

Mr. MILLER of Nebraska. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Nebraska. If this bill is considered in the House as in the Committee of the Whole, will it permit an opportunity to discuss the bill?

The SPEAKER. Discussion may be had under the 5-minute rule in the com-

mittee when the bill is read for amendment.

Mr. MILLER of Nebraska. For what length of time?

The SPEAKER. When the bill is considered in the House as in the Committee of the Whole there is no general debate. Debate is under the 5-minute rule.

Mr. MILLER of Nebraska. I withdraw my objection.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia," approved September 25, 1914 (38 Stat. 716), as amended (secs. 5-101, 102, D. C. Code, 1951 edition), is hereby repealed.

SEC. 2. Subsections (b), (c), and (d) of section 4 of the act entitled "An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes," approved June 12, 1934 (48 Stat. 932), as amended (sec. 5-106, D. C. Code, 1951 edition), are hereby repealed.

SEC. 3. This act shall take effect 60 days after approval or July 1, 1955, whichever is earlier.

The Clerk read the committee amendment as follows:

On page 2, line 8, insert a new section as follows:

"SEC. 3. The Board of Commissioners of the District of Columbia are authorized to permit the erection, construction, alteration, conversion, maintenance, and use of such buildings and other improvements on square 1928, lot numbered 800 (southeast corner of the intersection of Wisconsin and Massachusetts Avenues Northwest), situated in the District of Columbia, as the Commissioners may deem appropriate for the purpose of conducting the business which is being conducted on such land on the date of enactment of this act."

Mr. O'HARA of Minnesota. Mr. Speaker, I make a point of order against the amendment on the ground that it is not germane to the bill as passed by the Senate. That bill related only to the amendment of the Alley Dwelling Act of the District of Columbia of June 12, 1934, so as to remove therefrom provisions which would make it unlawful after June 30, 1955, to use or occupy any alley building or structure as a dwelling in the District of Columbia; also to remove a provision which would prohibit the construction, alteration, or conversion of any building or structure for use as an alley dwelling, and a penalty provision relating to the foregoing.

Further, the bill would repeal the act of September 25, 1914, also relating to alley dwellings.

Mr. Speaker, the District of Columbia Committee on the House amended S. 3506 so as to add thereto a provision which would permit the reconstruction of nonconforming gasoline filling stations located in an area of the District which has been zoned as residential (A). This amendment to the bill is in effect an amendment to the Zoning Act of 1935 and not in any way related to the matter of alley dwellings and is, therefore, not germane to the purposes of the bill. In other words, the bill as passed by the Senate referred to alley dwellings and the amendment offered by the gentleman from South Carolina dealt with an entirely different subject—zoning law and zoning regulations.

The amendment also seeks to amend the title of this bill. It does not pertain to the legislation which was passed by the Senate, the bill passed by the Senate, and it is obvious, Mr. Speaker, that the amendment is not germane.

Mr. McMILLAN. Mr. Speaker, may I be heard?

The SPEAKER. The Chair will hear the gentleman from South Carolina.

Mr. McMILLAN. Mr. Speaker, I contend the amendment is germane to the bill, S. 3506, on the ground the purposes of the amendment and the purposes of the bill, S. 3506, relate to alley improvement. I also contend it is germane on the ground that both the bill S. 3506 and the amendment is for the purpose of granting permission to repair and improve property here in the District of Columbia.

Mr. MILLER of Nebraska. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. MILLER of Nebraska. Mr. Speaker, this amendment was offered not here today in the House but was offered in the Committee on the District of Columbia at which time we had a full quorum present. The amendment was voted and written into the bill when a full quorum was present in a regularly constituted meeting of the District of Columbia Committee. I am not sure what the vote was, but it was a substantial vote. Therefore it is not being offered here today as a new amendment. It involves something that was considered very thoroughly by the Committee on the District of Columbia. The amendment was adopted by the Committee on the District of Columbia. Therefore, it seems to me that as the motion was made to report the bill, S. 3506 as amended by the District of Columbia Committee it comes before the House as a part of the committee action. In my opinion the amendment should stay in. Now, if the amendment is taken out of the bill then would the bill not have to go back to the Committee on the District of Columbia, having been properly acted on or reported by the full Committee on the District of Columbia?

Mr. McMILLAN. Mr. Speaker, the gentleman from Minnesota seems to be fearful this bill will be vetoed if we include this amendment. I may say to the gentleman that the President will not veto this bill if the Commissioners do not ask him to veto it. The Commissioners are in favor of the Alley Dwelling Act because they have granted permission for these alley dwellings. I would like to clear up the gentleman's mind on that subject.

The SPEAKER. The Chair is prepared to rule.

In response to the parliamentary inquiry propounded by the gentleman from Nebraska [Mr. MILLER] the Chair may say that the committee amendment assumes the same status in the House as any other amendment that might be offered from the floor. That is why the Committee on Rules is sometimes asked to report special rules waiving points of order against committee amendments. Those points of order usually involve questions of germaneness.

The Chair has examined the bill and the committee amendment.

The bill itself relates solely to the use of alley dwellings and the prohibition against the erection of structures in alleys for dwelling purposes. The proposed committee amendment has for its purpose a change in the zoning provisions in the District of Columbia. It does not seem to the Chair that the committee amendment has any direct relationship to the purpose of the bill.

The Chair is of the opinion that the amendment is not germane and, therefore, sustains the point of order.

Mr. MILLER of Nebraska. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Nebraska. The title of the bill has been amended to include the section that has now been ruled not in order. Section 4 has also been added, and other provisions have been added to the bill. The point of order I would like to make is this: Is it possible for the House to act on the bill now, or should it not go back to the District Committee for further consideration.

The SPEAKER. The House has the bill before it. It can do with it as it pleases. The title could be amended after the bill is passed, if the House so desires.

Mr. O'HARA of Minnesota. My point of order was to the entire committee amendment, including the one to which the gentleman from Nebraska referred. The amendment in the committee included the amendment to the title.

The SPEAKER. The Chair wishes to state that the ruling was made upon the amendment proposing a new section 3.

Mr. O'HARA of Minnesota. My original point of order was to the entire committee amendment, which also included the attempt to amend the title.

Mr. MILLER of Nebraska. Mr. Speaker, a further parliamentary inquiry. The gentleman has not pointed out the entire amendment. He did point out section 3. But, I point out that the title has been amended. Section 4 has been placed in the bill, and other language relating to filling stations. Therefore, the title would have to be amended.

The SPEAKER. The Chair sustained the point of order as to the committee amendment proposing a new section 3. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 17, strike out "SEC. 3. This" and insert "SEC. 4. Sections 1 and 2 of this."

Mr. O'HARA of Minnesota. Mr. Speaker, obviously that is a renumbering

of the sections, I presume, and should not pertain to the bill as it passed the Senate.

The SPEAKER. Is the gentleman suggesting that the amendment be voted down?

For what purpose does the gentleman from Texas rise?

Mr. RAYBURN. Mr. Speaker, I am confused—the first time in my life, of course. I just want to know where we are, Mr. Speaker. A point of order was made against some provision in this bill. Was that section 3?

The SPEAKER. It was, and the point of order was sustained.

Mr. O'HARA of Minnesota. Mr. Speaker, beginning on line 17, page 2, I ask unanimous consent that it be withdrawn from the bill.

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

Mr. MILLER of Nebraska. I am constrained to object, Mr. Speaker.

The SPEAKER. Objection is heard. The question is on the committee amendment.

Mr. MILLS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLS. Is the amendment now before the House merely one changing the figure "3" to "4"?

The SPEAKER. It is the amendment appearing on page 2 line 17 of the bill. The Chair will state that, obviously, the other amendment having been stricken from the bill, this amendment should be voted down.

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent that section 4 may be stricken out and that section 3 be substituted so that it will conform with the amendment stricken out.

The SPEAKER. The Chair will state that the parliamentary procedure is such that if we vote down the committee amendment, that takes care of the rest of it.

Mr. RAYBURN. There is no use striking out section 3 if it has been reestablished. So far as we are concerned, section 3 is stricken out.

Mr. O'HARA of Minnesota. That is the point I make; it should be numbered section 3 instead of section 4.

Mr. RAYBURN. The thing to do is to vote down the committee amendment.

The SPEAKER. The question is on the committee amendment.

The committee amendment was rejected.

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.

Mr. RAYBURN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAYBURN. Was the amendment to the title agreed to? There is an amendment to the title.

The SPEAKER. It was not, because having rejected the committee amendment, there was no reason for changing the title.

AMENDING DISTRICT OF COLUMBIA TRAFFIC ACT, 1925, AS AMENDED

Mr. KEARNS. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (S. 1585) to amend the District of Columbia Traffic Act, 1925, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of subsection (a) of section 7 of the District of Columbia Traffic Act, 1925 (43 Stat. 1121), as amended (sec. 40–301 (a) (1), D. C. Code, 1951 ed.), is amended (a) by striking from the first sentence thereof so much as reads "Upon application made under oath and the payment of the fee hereinafter prescribed, the Commissioners or their designated agent shall issue a motor-vehicle operator's permit to any individual" and inserting in lieu thereof "The Commissioners or their designated agent shall, upon application, the payment of a fee of $3, and compliance with such regulations as the Commissioners or their designated agent may prescribe, issue a motor-vehicle operator's permit valid for a period not in excess of 3 years, to any individual 16 years of age or over"; (b) by inserting in the second sentence thereof after "give a practical demonstration" the following ", or produce evidence acceptable to the Commissioners or their designated agent,"; (c) by striking from the second sentence thereof so much as reads "and in the presence of such individuals as may be authorized to conduct the demonstration"; (d) by striking therefrom the fourth, fifth, and sixth sentences; and (e) by striking from the last sentence thereof th colon and proviso, and inserting in lieu thereof "and not for compensation."

SEC. 2. Paragraph (2) of subsection (a) of section 7 of such act (43 Stat. 1121), as amended (sec. 40–301 (a) (2), D. C. Code, 1951 ed.), is amended to read as follows:

"(2) The Commissioners or their designated agent may, upon application and the payment of a fee of $1, issue a learner's permit, valid for a period of 60 days, to any applicant for a motor-vehicle operator's permit, 16 years of age or over, who has successfully passed all parts of the examination other than the driving demonstration test. Such permit shall entitle the permittee, while having such permit in his immediate possession, to operate a passenger motor vehicle, used solely for purposes of pleasure and not for compensation, when accompanied by the holder of a valid District motor-vehicle operator's permit who is occupying a seat beside such permittee."

SEC. 3. Subsection (a) of section 7 of such act (43 Stat. 1121), as amended (sec. 40–301 (a), D. C. Code, 1951 ed.), is amended by adding at the end thereof a new paragraph to read as follows:

"(6) Notwithstanding the provisions of this subsection, the Commissioners or their designated agent may, upon compliance with such regulations as they or their designated agent may prescribe, extend for a period not in excess of 6 years the validity of the operator's permit of any person who is a resident of the District and who is on active duty outside the District in the Armed Forces or the merchant marine of the United States and who was at the time of leaving the District the holder of a valid operator's permit."

SEC. 4. Subsection (b) of section 7 of such act (43 Stat. 1122), as amended (sec. 40–301 (b), D. C. Code, 1951 ed.), is amended to read:

"(b) Each operator's permit shall state the name and address of the permittee, together with such other matter as the Commissioners or their designated agent may by regulation prescribe, and shall bear the signature of the permittee."

SEC. 5. Subsection (d) of section 7 of such act (43 Stat. 1122), as amended (sec. 40–301 (d), D. C. Code, 1951 ed.), is repealed, and subsections (e) and (f) of section 7 of such act, as amended, are redesignated subsections (d) and (e), respectively.

SEC. 6. Subsection (a) of section 8 of such act (43 Stat. 1123), as amended (sec. 40–303 (a), D. C. Code, 1951 ed.), is amended to read as follows:

"(a) The owner or operator of any motor vehicle who is not a legal resident of the District, and who has complied with the laws of any State, Territory, or possession of the United States, or of a foreign country or political subdivision thereof, in respect of the registration of motor vehicles and the licensing of operators thereof, shall, subject to the provisions of this section, be exempt from compliance with section 7 and with any provision of law or regulation requiring the registration of motor vehicles or the display of identification tags in the District. Such exemption shall cover the period immediately following the entrance of such owner or operator into the District equal to the period for which the Commissioners or their designated agent have previously found that a similar privilege is extended to legal residents of the District by such State, Territory, or possession of the United States, or foreign country or political subdivision thereof. The Commissioners or their designated agent shall from time to time ascertain such privileges and cause their or his findings to be promulgated. When the laws of any State, Territory, or possession of the United States or of a foreign country or of a political subdivision thereof contain a reciprocity provision similar to that hereinabove set forth, or the privilege extended to a legal resident of the District is for the remaining portion of the current District of Columbia registration year, then the owner of any motor vehicle who is a legal resident of such State, Territory, or possession of the United States, or of a foreign country or political subdivision thereof shall comply with the provisions of section 7 of this act and with every other provision of law or regulation requiring the registration of motor vehicles and the display of identification tags in the District at the time of the expiration of the current motor vehicle registration issued to such owner by such State, Territory, or possession of the United States or a foreign country or political subdivision thereof, unless the Commissioners or their designated agent shall have entered into a reciprocal agreement or arrangement with the duly authorized representatives of such State, Territory, or possession of the United States or a foreign country or political subdivision thereof, further to limit or to extend the period of time during which the validity of the motor vehicle registration and identification tags of such State, Territory, or possession of the United States or foreign country or political subdivision thereof shall be recognized by the District. The Commissioners or their designated agent are hereby authorized and empowered to enter into reciprocal agreements and arrangements as aforesaid. The following persons shall, with respect to the registration of motor vehicles and the licensing of operators thereof, if they have complied with the laws of the State, Territory, or possession from which they have been elected or appointed, or of which they are legal residents, be exempt during their respective terms of office or during the period of their employment as administrative em-

ployees from compliance with section 7 and with any other provision of law or regulation requiring the registration of motor vehicles and the display of identification tags in the District: Senators and Representatives in Congress; Delegates to Congress; Resident Commissioners; administrative employees of Senators, Representatives, Delegates, and Resident Commissioners who are legal residents of the State, Territory, or possession from which said Senators, Representatives, Delegates, and Resident Commissioners have been elected or appointed; and officers of the executive branch of the Government of the United States who are not domiciled within the District of Columbia, whose appointment to the office held by them was by the President of the United States, subject to confirmation by the Senate, and whose tenure of office is at the pleasure of the President."

SEC. 7. Subsection (b) of section 10 of such act (43 Stat. 1124), as amended (sec. 40-609 (b), D. C. Code, 1951 ed.), is amended by striking the third sentence thereof.

SEC. 8. Section 10 of such act (43 Stat. 1124), as amended (sec. 40-609, D. C. Code, 1951 ed.), is amended by adding two new subsections "(d)" and "(e)," to read as follows:

"(d) The Commissioners or their designated agent shall revoke the operator's permit or the privilege to drive a motor vehicle in the District of Columbia, or revoke both such permit and privilege, of any person who is convicted in the District of any of the following offenses:

"(1) Operating a motor vehicle while under the influence of any intoxicating liquor or narcotic drug.

"(2) Any homicide committed by means of a motor vehicle.

"(3) Leaving the scene of an accident in which the motor vehicle driven by him was involved and in which there is bodily injury, without giving assistance or making known his identity and address and the identity and address of the owner of said vehicle.

"(4) Reckless driving involving bodily injury.

"(5) Any felony in the commission of which a motor vehicle is involved.

"(e) Whenever a judgment of conviction of any offense set forth in subsection (d) has become final, the clerk of the court in which the judgment was entered shall certify such conviction to the Commissioners or their designated agent, who shall thereupon take the action required by subsection (d) of this section. A judgment of conviction shall be deemed to have become final for the purposes of this subsection—

"(1) if no appeal is taken from the judgment, upon the expiration of the time within which an appeal could have been taken, or

"(2) if an appeal is taken from the judgment, the date upon which the judgment, having been sustained, can no longer be appealed from or reviewed on a writ of certiorari."

SEC. 9. This act shall become effective 30 days after its enactment.

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.

AMENDING DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT TO PROVIDE FOR UNEMPLOYMENT COMPENSATION IN THE DISTRICT OF COLUMBIA

Mr. TALLE. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 9648) to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended, is further amended as follows:

Section 1 (b) (2) (B) is amended by adding at the end thereof the following:

"Service shall be deemed to be localized within a State if—

"(i) the service is performed entirely within such State; or

"(ii) the service is performed both within and without such State, but the service performed without such State is incidental to the individual's service within the State, for example, is temporary or transitory in nature or consists of isolated transactions."

Section 1 (b) (4) is amended to read as follows:

"(4) Notwithstanding any other provisions of this subsection, the term 'employment' shall also include all service performed after the effective date of this amendment by an officer or member of the crew of an American vessel on or in connection with such vessel, provided that the operating office, from which the operations of such vessel operating on navigable waters within or within and without the United States are ordinarily and regularly supervised, managed, directed, and controlled, is within the District."

Section 1 (b) (5) is amended by adding at the end thereof the following subsections:

"(Q) service performed on or in connection with a vessel not an American vessel by an individual if he performed service on and in connection with such vessel when outside the United States;

"(R) service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than 10 net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States)."

Section 1 (b) is amended by adding at the end thereof the following subsections:

"(7) Notwithstanding any of the provisions of subsection 1 (b) (5) of this act, services shall be deemed to be in employment if with respect to such services a tax is required to be paid under any Federal law imposing a tax against which credit may be taken for contributions required to be paid into a State unemployment compensation fund.

"(8) (i) Any service performed for an employing unit, which is excluded under the definition of employment in section 1 (b) (5) and with respect to which no payments are required under the employment security law of another State or of the Federal Government may be deemed to constitute employment for all purposes of this act: *Provided*, That the Board has approved a written election to that effect filed by the employing unit for which the service is performed, as of the date stated in such approval. No election shall be approved by the Board unless it (A) includes all the service of the type specified in each establishment or place of business for which the election is made, and (B) is made for not less than 2 calendar years.

"(ii) Any service which, because of an election by an employing unit under section 1 (b) (8) (i), is employment subject to this act shall cease to be employment subject to the act as of January 1 of any calendar year subsequent to the 2 calendar years of the election, only if not later than March 15 of such year, either such employing unit has filed with the Board a written notice to that effect, or the Board on its own motion has given notice of termination of such coverage."

Section 1 (c) is amended by repealing subsection (1) and renumbering subsection (2) to be subsection (1) and subsection (3) to be subsection (2) and subsection (4) to be subsection (3).

Section 1 (h) is amended to read as follows:

"(h) 'Benefit year' with respect to any individual means the 52 consecutive-week period beginning with the first day of the first week with respect to which the individual first files a valid claim for benefits, and thereafter the 52 consecutive-week period beginning with the first day of the first week with respect to which the individual next files a valid claim for benefits after the termination of his last preceding benefit year. Any claim for benefits made in accordance with section 11 of this act shall be deemed to be a 'valid claim' for the purposes of this subsection if the individual has during his base period been paid wages for employment by employers as required by the provisions of section 7 of the act."

Section 1 (m) is amended to read as follows:

"(m) 'Employment office' means a free public employment office or branch thereof operated by this or any other State as a part of a State-controlled system of public employment offices or by a Federal agency or any agency of a foreign government charged with the administration of an unemployment-insurance program or free public employment offices."

Section 1 is amended by adding at the end thereof the following subsections:

"(t) The term 'American vessel' means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew performs service solely for one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

"(u) The term 'principal base period employer' means the employer that paid a claimant the greatest amount of wages used in the computation of his claim. In the event two or more employers paid the claimant identical amounts, the employer in such group for whom the claimant most recently worked shall be the principal base period employer."

Section 3 (c) (1) is amended by adding at the end thereof the following:

"(1) Each year the Board shall credit to each of such amounts having a positive reserve on the computation date, the interest earned by such accounts from the Federal Government. This shall be done by averaging the interest rate paid for the four quarters ending on the computation date and crediting to each such account the amount which the reserve on such computation date would earn at such average rate of interest."

Section 3 (c) (2) is amended by adding at the end thereof the following:

"(2) The principal base period employer shall be notified of each payment of benefits to a claimant at the time of such payment."

Section 3 (c) (7) (a) is amended to read as follows:

"(a) If 25 percent or more of the business of any employer is transferred, the transferee shall be determined a successor for the purposes of this section.

"(i) If the Board is unable to get information upon which to determine whether or not 25 percent of the business has been transferred, it may, in its discretion, make such determination based upon the quarterly payrolls of the employers involved for the last complete calendar quarter prior to the transfer and the first complete calendar quarter after such transfer.

"(ii) In the event of a transfer of 25 percent or more of the assets of a covered employer's business by any means whatever, otherwise than in the ordinary course of trade, such transfer shall be deemed a transfer of business and shall constitute the transferee a successor hereunder, unless the Board, on its own motion or on application of an interested party, finds that all of the following conditions exist:

"(1) The transferee has not assumed any of the transferor's obligations;

"(2) The transferee has not continued or resumed transferor's goodwill;

"(3) The transferee has not continued or resumed the business of the transferor, either in the same establishment or elsewhere; and

"(4) The transferee has not employed substantially the same employees as those the transferor had employed in connection with the assets transferred."

Section 3 (c) (7) (c) is amended to read as follows:

"(c) The successor shall take over and continue the employer's account, including its reserve and all other aspects of its experience under this section, in proportion to the payroll assignable to the transferred business as determined for the purposes of this section by the Board. However, his successor shall take over only the reserve actually credited to the account of the transferor or for which the transferor has filed a claim with the Board at the date of transfer. The successor shall be secondarily liable for any amounts owed by the employer to the fund at the time of such transfer; but such liability shall be proportioned to the extent of the transfer of business and shall not exceed the value of the assets transferred."

Section 3 (c) (7) (d) is amended to read as follows:

"(d) The benefit chargeability of a successor's account under section 3 (c), if not accrued before the transfer date, shall begin to accrue on the transfer date in case the transferor's benefit chargeability was then accruing; or shall begin to accrue on the date otherwise applicable to the successor, or on the date otherwise applicable to the transferor, whichever is earlier, in case the transferor's benefit chargeability was not accruing on the transfer date. Similarly, benefits from a successor's account, if not chargeable before the transfer date, shall become chargeable on the transfer date, in case the transferor was then chargeable for benefit payments; or shall become chargeable on the date otherwise applicable to the successor or on the date otherwise applicable to the transferor, whichever is earlier, in case the transferor was chargeable for benefit payments on the transfer date."

Section 3 (c) (7) (f) is amended to read as follows:

"(f) Notwithstanding any other provisions of this section, if the successor employer was an employer subject to this act prior to the date of transfer, his rate of contributions the remainder of the calendar year shall be his rate with respect to the period immediately preceding his date of acquisition. If the successor was not an employer prior to the date of transfer, his rate shall be the rate applicable to the transferor or transferors with respect to the period immediately preceding the date of transfer: *Provided*, That there was only one transferor or there were only transferors with identical rates; if the transferor rates were not identical, the successor's rate shall be the highest rate applicable to any of the transferors with respect to the period immediately preceding the date of transfer. The rate of the transferor, if still subject to the act, will not be redetermined and shall remain the rate with respect to the period immediately preceding the date of transfer.

"For future years, for the purposes of section 3 (c), the Board shall determine the 'experience under this section' of the successor employer's account and of the transferring employer's account by allocating to the successor employer's account for each period in question the respective proportions of the transferring employer's payroll, contributions, and the benefit charges which the Board determines to be properly assignable to the business transferred."

Section 3 (c) (7) (g) is hereby repealed.

Section 3 (c) (8) (i) is amended to read as follows:

"(i) If as of the computation date the total of all contributions credited to any employer's account, with respect to employment since May 31, 1939, is in excess of the total benefits paid after June 30, 1939, then chargeable or charged to his account, such excess shall be known as the employer's reserve, and his contribution rate for the ensuing calendar year or part thereof shall be—

"(A) 2.7 percent if such reserve is less than 0.9 percent of his average annual payroll;

"(B) 2 percent if such reserve equals or exceeds 0.9 percent but is less than 1.4 percent of his average annual payroll;

"(C) 1.5 percent if such reserve equals or exceeds 1.4 percent but is less than 1.9 percent of his average annual payroll;

"(D) 1 percent if such reserve equals or exceeds 1.9 percent but is less than 2.9 percent of his average annual payroll;

"(E) 0.5 percent if such reserve equals or exceeds 2.9 percent but is less than 3.4 percent of his average annual payroll;

"(F) 0.1 percent if such reserve equals or exceeds 3.4 percent of his average annual payroll."

Section 3 (c) (10) is amended by substituting the word "thirty" for the word "fifteen" in the second and seventh sentences thereof.

Section 3 is amended by adding at the end thereof the following new subsections:

"(e) From December 31, 1939, to January 1, 1955, wages, for the purpose of section 3, shall not include any amount in excess of $3,000 paid by an employer to any person arising out of his or her employment during any calendar year. After December 31, 1954, wages shall not include any amount in excess of $3,000 (or in excess of the limitation on the amount of taxable wages fixed by the Federal Unemployment Tax Act (26 U. S. C. 1600, 1607), whichever is greater) actually paid by an employer to any person during any calendar year. After December 31, 1954, the term 'employment' for the purpose of this subsection shall include services constituting employment under any employment security law of another State or of the Federal Government.

"(f) In the event the District of Columbia should elect to cover employees under this act under the provisions of section 1 (b) (8) (i) in lieu of contributions required of employers under this act, the District of Columbia shall pay into the fund an amount equivalent to the amount of benefits paid to individuals based on wages paid by the District. If benefits paid an individual are based on wages paid by both the District of Columbia and one or more other employers, the amount payable by the District to the fund shall bear the same ratio to total benefits paid to the individual as the base-period wages paid to the individual by the District of Columbia bears to the total amount of the base period wages paid to the individual by all of his base-period employers.

"The amount of payment required under this section shall be ascertained by the Board quarterly and shall be paid from the general funds of the District at such time and in such manner as the Commissioners of the District of Columbia may prescribe except that to the extent that benefits are paid on wages paid by the District from special administrative funds, the payment by the District into the unemployment fund shall be made from such special funds.

"(g) Contributions due under this act with respect to wages for insured work shall, for the purpose of this section, be deemed to have been paid to the fund as of the date payment was made as contributions therefor under another State or Federal employment security law if payment into the fund of such contributions is made on such terms as the director finds will be fair and reasonable as to all affected interests. Payments to the fund under this subsection shall be deemed to be contributions for purposes of section 3."

Section 4 (c) is amended to read as follows:

"(c) (1) If contributions are not paid when due, there shall be added, as part of the contributions, interest at the rate of one-half of 1 percent per month or fraction thereof from the date the contributions became due until paid.

"(2) If contributions or wage reports are not filed when due or contributions are not paid when due, there shall be added as part of the contributions a penalty of 10 percent of the contributions, but such penalty shall not be less than $5 nor more than $25 and for good cause such penalty may be waived by the Board with the approval of the Commissioners of the District of Columbia."

Section 4 (d) is amended to read as follows:

"(d) In the event of the death, dissolution, insolvency, receivership, bankruptcy, composition, or assignment for benefit of creditors of any employer, contributions then or thereafter due from such employer under this section shall have priority over all other claims, except taxes due the United States or the District, and wages (not exceeding $600 with respect to any individual) due for services performed within the 3 months preceding such event."

Section 4 (j) is amended by substituting the following:

"(j) The Board in its discretion, whenever it may deem it administratively advisable, may charge off of its books any unpaid account due the Board or any credit due an employer who has been out of business for a period of more than 3 years. Whenever an account is charged off by the Board, there shall be placed in the minutes of the Board a reason for such action."

Section 4 (l) is amended by adding at the end thereof the following:

"There is hereby established in the Treasury of the United States a special escrow account into which the Board shall deposit all funds received in connection with an offer of compromise. Such funds shall be kept in such escrow account until final action is had upon the offer of compromise and shall not be subject to offset for any indebtedness whatsoever. In the event the compromise is approved, the funds shall be transferred to the District Unemployment Compensation Fund. In the event the compromise is disapproved, the funds shall be immediately returned to the individual who made the offer of compromise."

Section 7 is amended to read as follows:

"AMOUNT AND DURATION OF BENEFITS

"SEC. 7. (a) On and after January 1, 1938, benefits shall become payable from the benefit account of the District unemployment fund. All benefits shall be paid through em-

ployment offices, in accordance with such regulations as the Board may prescribe.

"(b) Except as provided in section 7 (c), an individual's weekly benefit amount shall be the amount in column (B) of the table in this subsection on the line on which, in column (A), there appears his total wages for employment paid to such individual by employers during that quarter of his base period in which such wages were the highest.

"Table A

"High-quarter wages (col. A)	Basic weekly benefit (col. B)	Minimum qualifying wages (col. C)
$130.00 to $184	$8	$276
$184.01 to $207	9	310
$207.01 to $230	10	345
$230.01 to $253	11	379
$253.01 to $276	12	414
$276.01 to $299	13	448
$299.01 to $322	14	483
$322.01 to $345	15	517
$345.01 to $368	16	552
$368.01 to $391	17	586
$391.01 to $414	18	621
$414.01 to $437	19	655
$437.01 to $460	20	690
$460.01 to $483	21	724
$483.01 to $506	22	759
$506.01 to $529	23	793
$529.01 to $552	24	828
$552.01 to $575	25	862
$575.01 to $598	26	897
$598.01 to $621	27	931
$621.01 to $644	28	966
$644.01 to $667	29	1,000
$667.01 and over	30	1,035

"(c) To qualify for benefits an individual must have been paid wages for employment in his base period totaling not less than the amount in column (C) of the table in section 7 (b) on the line on which, in column (B), there appears his weekly benefit amount, and such wages must have been in at least two calendar quarters in his base period: *Provided,* That if any individual during his base period has not been paid such an amount, but has been paid wages in more than one calendar quarter totaling not less than the amount appearing on one of the lines in column (C) above, he can qualify for benefits and his weekly benefit amount shall be the amount appearing in column (B) on the line for which the individual qualifies for benefits in column (C).

"(d) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to 22 times his weekly benefit amount or one-half of the wages for employment paid to such individual by employers during his base period, whichever is the lesser: *Provided,* That such total amount of benefits, if not a multiple of $1, shall be computed to the next higher multiple of $1.

"(e) Any individual who is unemployed in any week as defined in section 1 (e) and who meets the conditions of eligibility for benefits of section 9 and is not disqualified under the provisions of section 10 shall be paid with respect to such week an amount equal to his weekly benefit amount, less the earnings (if any) payable to him with respect to such week. For the purpose of this subsection, the term 'earnings' shall include only that part of the remuneration payable to him for such week which is in excess of 40 percent of his weekly benefit amount for any week. Such benefits, if not a multiple of $1, shall be computed to the next higher multiple of $1."

"(f) Dependent's allowance: In addition to the benefits payable under the foregoing subsections of this section, each eligible individual who is unemployed in any week shall be paid with respect to such week $1 for each dependent relative, but not more than $3 shall be paid to an individual as dependent's allowance with respect to any one week of unemployment nor shall any weekly benefit which includes a dependent's allowance be paid in the amount of more than $30. An individual's number of dependents shall be determined as of the day with respect to which he first files a valid claim for benefits in any benefit year, and shall be fixed for the duration of such benefit year. The dependent's allowance is not to be taken into consideration in calculating the claimant's total amount of benefits in subsection (d) of this section."

Section 10 (a) is amended to read as follows:

"(a) An individual who has left his most recent work voluntarily without good cause, as determined by the Board under regulations prescribed by it, shall not be eligible for benefits with respect to the week in which such leaving occurred and with respect to not less than 4 nor more than 9 consecutive weeks of unemployment which immediately follow such week, as determined by the Board in such case, according to the seriousness of the case. In addition such individual's total benefit amount shall be reduced in a sum equal to the number of weeks of disqualification multiplied by the weekly benefit amount.

"(b) An individual who has been discharged for misconduct occurring in the course of his most recent work proved to the satisfaction of the Board shall not be eligible for benefits with respect to the week in which such discharge occurred and for not less than 4 nor more than 9 weeks of consecutive unemployment immediately following such week, as determined by the Board in such case according to the seriousness of the misconduct. In addition such individual's total benefit amount shall be reduced in a sum equal to the number of weeks of disqualification multiplied by his weekly benefit amount."

Section 10 (c) is amended to read as follows:

"(c) If an individual otherwise eligible for benefits fails, without good cause as determined by the Board under regulations prescribed by it, either to apply for new work found by the Board to be suitable when notified by any employment office or to accept any suitable work when offered to him by any employment office, his union hiring hall, or any employer direct, he shall not be eligible for benefits with respect to the week in which such failure occurred and with respect to not less than 4 nor more than 9 consecutive weeks of unemployment which immediately follow such week, as determined by the Board in such case according to the seriousness of the refusal. In addition such individual's total benefit amount shall be reduced in a sum equal to the number of weeks of disqualification multiplied by the weekly benefit amount. In determining whether or not work is suitable within the meaning of this subsection the Board shall consider (1) the physical fitness and prior training, experience, and earnings of the individual, (2) the distance of the place of work from the individual's place of residence, and (3) the risk involved as to health, safety, or morals."

Section 10 (f) is amended to read as follows:

"(f) An individual shall not be eligible for benefits with respect to any week if it has been found by the Board that such individual is unemployed in such week as a direct result of a labor dispute, such as a strike or jurisdictional labor dispute still in active progress in the establishment where he is or was last employed: *Provided,* That this subsection shall not apply if it is shown to the satisfaction of the Board that—

"(1) he is not participating in or directly interested in the labor dispute which caused his unemployment; and

"(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the dispute, there were members employed at the premises at which the dispute occurs, any of whom are participating in or directly interested in the dispute: *Provided,* That if in any case separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises."

Section 10 is amended by adding at the end thereof the following subsection:

"(h) An individual shall not be eligible for benefits for any week within the 6 weeks prior to the expected date of such individual's childbirth and within the 6 weeks after the date of such childbirth. In determining the expected date of childbirth the Board in its discretion may rely solely upon a doctor's certificate."

Section 13 (c) is amended to read as follows:

"(c) The Board shall each year, not later than May 1, submit to Congress a report covering the administration and operation of this act during the preceding calendar year, and containing such recommendations as the Board wishes to make."

Section 14 is amended to read as follows:

"SEC. 14. All moneys received by the Board from the United States under title III of the Social Security Act or from other sources for administering this act shall, immediately upon such receipt, be deposited in the Treasury of the United States as a special deposit to be used solely to pay such administrative expenses (including expenditures for rent, for suitable office space in the District of Columbia, and for lawbooks, books of reference, and periodicals), traveling expenses when authorized by the Board, premiums on the bonds of its employees, and allowances to investigators for furnishing privately owned motor vehicles in the performance of official duties at rates not to exceed $40 per month. All such payments of expenses shall be made by checks drawn by the Board and shall be subject to audit by the Commissioners of the District of Columbia in the same manner as are payments of other expenses of the District. Notwithstanding the provisions of this section and the provisions of sections 2 and 8 of this act, the Board is authorized to requisition and receive from its account in the unemployment trust fund in the Treasury of the United States of America, in the manner permitted by Federal law, such moneys standing to the District's credit in such fund, as are permitted by Federal law to be used for expenses incurred by the Board for the administration of this act and to expend such moneys for such purposes. Moneys so received shall, immediately upon such receipt, be deposited in the Treasury of the United States in the same special account as are all other moneys received for the administration of this act. All moneys received by the Board pursuant to section 302 of the Social Security Act shall be expended solely for the purposes and in the amounts found necessary by the Department of Labor for the proper and efficient administration of this act. In lieu of incorporation in this act of the provision described in section 303 (a) (9) of the Social Security Act, the Board shall include in its annual report to Congress, provided in section 13 (c) of this act, a report of any moneys received after July 1, 1941, from the Department of Labor under title III of the Social Security Act, and any unencumbered balances in the unemployment compensation administration fund as of that date, which the Department of Labor finds have, because of any action or contingency, been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Department of Labor for the proper administration of this act."

Section 15 (c) is amended to read as follows:

"(c) The Commissioners of the District shall serve on the Board without additional compensation, but the representatives of employees and employers, respectively, shall be paid $25 for each day of active service. For the purposes of this subsection, a part of a day shall be construed as an entire day."

Section 19 (a) is amended to read as follows:

"(a) Whoever makes a false statement or representation knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase any benefit or other payment provided for in this act or under an employment security law of any other State, of the Federal Government, or a foreign government for himself or any other individual, shall, for each such offense, be fined not more than $100 or imprisoned not more than 60 days, or both."

Section 19 is amended by adding at the end thereof the following subsection:

"(e) Any person who the Board finds has made a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to obtain or increase any benefit or any other payment under this act may be required by the Board to repay to it for the fund a sum equal to the amount of all benefits received by him for weeks subsequent to the date of the offense and falling within the benefit year current at the time of the offense. Such claimant may also be disqualified for benefits for all or part of the remainder of such benefit year and for a period of not more than 1 year commencing with the end of such benefit year and thereafter while any sum payable to the Board for the fund under this subsection is still due and unpaid, unless the Board in its discretion shall decide, after the disqualification imposed has been served, to allow the claimant to file a claim for benefits and recoup from such benefits the amount still payable to the Board.

"All findings under this subsection shall be made by an appeals tribunal of the Board which shall afford the claimant a reasonable opportunity for a fair hearing in accordance with the provisions of section 11 of this act and such findings shall be subject to review in the same manner as all other disqualifications decided by an appeals tribunal of the Board."

There shall be added after section 26 the following:

"SEC. 27. (a) Whenever this act prescribes the performance of a duty by any official or agency of the District of Columbia, such duty shall be performed by the Commissioners of the District of Columbia or such officer, employee, or agency as the Commissioners may delegate to perform the duty for them.

"(b) Where any provision of this act, or any amendment made by this act, refers to an office or agency abolished by or under the authority of Reorganization Plan No. 5 of 1952, such reference shall be deemed to be the office, agency, or officer exercising the functions of the office or agency so abolished."

TRANSITION PROVISIONS

SEC. 2. (a) As used in this section, unless the context clearly requires otherwise—

(1) "old law" means the unemployment compensation law prior to its amendment by this act;

(2) "new law" means the unemployment compensation law as amended by this act; and

(3) "effective date" means the date upon which the new law becomes effective.

(b) All initial and continued claims for benefits for weeks occurring within a benefit year which commences prior to the effective date shall be computed and paid in accordance with the old law. All initial and continued claims for benefits for weeks occurring within a benefit year which commences on or after the effective date shall be computed and paid in accordance with the new law.

(c) This act shall take effect as of 12:01 o'clock antemeridian on the first day of the next succeeding calendar quarter following the enactment of this act.

With the following committee amendments:

On page 6, line 14, strike "(1)."

On page 6, line 15, strike the word "amounts" and insert in lieu thereof the word "accounts."

On page 6, line 24, strike "(2)."

On page 12, line 21, after the word "by" and before the word "all", insert the following: "the District of Columbia bears to the total amount of the base period wages paid to the individual by."

On page 16, line 7, strike the word "any" and insert in lieu thereof the word "an."

On page 17, beginning on line 2, after the word "amount", strike the following: "or one-half of the wages for employment paid to such individual by employers during his base period, whichever is the lesser:" and insert in lieu thereof the following: "or 38 percent of the wages for employment paid to such individual by employers during his base period, whichever is the lesser."

On page 18, between the lines 21 and 22, insert the following:

"Section 10 (b) is amended to read as follows."

On page 20, strike out lines 5 through 25, and on page 21 strike out lines 1 and 2.

On page 24, line 13, after the word "for" and before the word "and", insert the following: "benefit for all or part of the remainder of such benefit year."

On page 26, strike out subsection (b) and insert a new subsection (b).

"(b) The benefit rights of any individual having a benefit year current on or after the effective date shall be redetermined and benefits for calendar weeks ending subsequent to the effective date shall be paid in accordance with the new law, provided that no claimant shall have his benefits reduced or denied by redetermination resulting from the application of this provision. All initial and continued claims for benefits for weeks occurring within a benefit year which commences on or after the effective date shall be computed and paid in accordance with the new law."

On page 26, strike out subsection (c) and insert a new subsection (c).

"(c) This act shall take effect on January 1, 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.

Mr. TALLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3482) to amend the District of Columbia Unemployment Compensation Act, and for other purposes.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 946), as amended (title 46, ch. 3, D. C. Code, 1951 ed.), is amended as follows:

Section 1 (b) (2) (B) is amended by adding at the end thereof the following:

"Service shall be deemed to be localized within a State if—

"(i) the service is performed entirely within such State; or

"(ii) the service is performed both within and without such State, but the service performed without such State is incidental to the individual's service within the State, for example, is temporary or transitory in nature or consists of isolated transactions."

Section 1 (b) (4) is amended to read as follows:

"(4) Notwithstanding any other provisions of this subsection, the term 'employment' shall also include all service performed after the effective date of this amendment by an officer or member of the crew of an American vessel on or in connection with such vessel, provided that the operating office, from which the operations of such vessel operating on navigable waters within or within and without the United States are ordinarily and regularly supervised, managed, directed, and controlled, is within the District."

Section 1 (b) (5) is amended by adding at the end thereof the following subsections:

"(Q) service performed on or in connection with a vessel not an American vessel by an individual if he performed service on and in connection with such vessel when outside the United States;

"(R) service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than 10 net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States)."

Section 1 (b) is amended by adding at the end thereof the following subsections:

"(7) Notwithstanding any of the provisions of subsection 1 (b) (5) of this act, services shall be deemed to be in employment if with respect to such services a tax is required to be paid under any Federal law imposing a tax against which credit may be taken for contributions required to be paid into a State unemployment compensation fund.

"(8) (i) Any service performed for an employing unit, which is excluded under the definition of employment in section 1 (b) (5) and with respect to which no payments are required under the employment security law of another State or of the Federal Government may be deemed to constitute employment for all purposes of this act: *Provided*, That the Board has approved a written election to that effect filed by the employing unit for which the service is performed, as of the date stated in such approval. No election shall be approved by the Board unless it (A) includes all the service of the type specified in each establishment or place of business for which the election is made, and (B) is made for not less than 2 calendar years.

"(ii) Any service which, because of an election by an employing unit under section 1 (b) (8) (i), is employment subject to this act shall cease to be employment subject to the act as of January 1 of any calendar year subsequent to the 2 calendar years of the election, only if not later than March 15 of such year, either such employing unit has filed with the Board a written notice to that effect, or the Board on its own motion has given notice of termination of such coverage."

Section 1 (c) is amended by repealing subsection (1) and renumbering subsection (2) to be subsection (1) and subsection (3) to

be subsection (2) and subsection (4) to be subsection (3).

Section 1 (h) is amended to read as follows:

"(h) 'Benefit year' with respect to any individual means the 52 consecutive-week period beginning with the first day of the first week with respect to which the individual first files a valid claim for benefits, and thereafter the 52 consecutive-week period beginning with the first day of the first week with respect to which the individual next files a valid claim for benefits after the termination of his last preceding benefit year. Any claim for benefits made in accordance with section 11 of this act shall be deemed to be a 'valid claim' for the purposes of this subsection if the individual has during his base period been paid wages for employment by employers as required by the provisions of section 7 of the act."

Section 1 (m) is amended to read as follows:

"(m) 'Employment office' means a free public employment office or branch thereof operated by this or any other State as a part of a State-controlled system of public employment offices or by a Federal agency or any agency of a foreign government charged with the administration of an unemployment-insurance program of free public employment offices."

Section 1 is amended by adding at the end thereof the following subsections:

"(t) The term 'American vessel' means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew performs service solely for one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

"(u) The term 'principal base period employer' means the employer that paid a claimant the greatest amount of wages used in the computation of his claim. In the event two or more employers paid the claimant identical amounts, the employer in such group for whom the claimant most recently worked shall be the principal base period employer."

Section 3 (c) (1) is amended by adding at the end thereof the following: "Each year the Board shall credit to each of such accounts having a positive reserve on the computation date, the interest earned by such accounts from the Federal Government. This shall be done by averaging the interest rate paid for the four quarters ending on the computation date and crediting to each such account the amount which the reserve on such computation date would earn at such average rate of interest."

Section 3 (c) (2) is amended by adding at the end thereof the following:

"The principal base period employer shall be notified of each payment of benefits to a claimant at the time of such payment."

Section 3 (c) (7) (a) is amended to read as follows:

"(a) If 25 percent or more of the business of any employer is transferred, the transferee shall be determined a successor for the purposes of this section.

"(i) If the Board is unable to get information upon which to determine whether or not 25 percent of the business has been transferred, it may, in its discretion, make such determination based upon the quarterly payrolls of the employers involved for the last complete calendar quarter prior to the transfer and the first complete calendar quarter after such transfer.

"(ii) In the event of a transfer of 25 percent or more of the assets of a covered employer's business by any means whatever, otherwise than in the ordinary course of trade, such transfer shall be deemed a transfer of business and shall constitute the transferee a successor hereunder, unless the Board, on its own motion or on application of an interested party, finds that all of the following conditions exist:

"(1) The transferee has not assumed any of the transferor's obligations;

"(2) The transferee has not continued or resumed transferor's goodwill;

"(3) The transferee has not continued or resumed the business of the transferor, either in the same establishment or elsewhere; and

"(4) The transferee has not employed substantially the same employees as those the transferor had employed in connection with the assets transferred.'

Section 3 (c) (7) (c) is amended to read as follows:

"(c) The successor shall take over and continue the employer's account, including its reserve and all other aspects of its experience under this section, in proportion to the payroll assignable to the transferred business as determined for the purposes of this section by the Board However, his successor shall take over only the reserve actually credited to the account of the transferor or for which the transferor has filed a claim with the Board at the date of transfer. The successor shall be secondarily liable for any amounts owed by the employer to the fund at the time of such transfer; but such liability shall be proportioned to the extent of the transfer of business and shall not exceed the value of the assets transferred."

Section 3 (c) (7) (d) is amended to read as follows:

"(d) The benefit chargeability of a successor's account under section 3 (c), if not accrued before the transfer date, shall begin to accrue on the transfer date in case the transferor's benefit chargeability was then accruing; or shall begin to accrue on the date otherwise applicable to the successor, or on the date otherwise applicable to the transferor, whichever is earlier, in case the transferor's benefit chargeability was not accruing on the transfer date. Similarly, benefits from a successor's account, if not chargeable before the transfer date, shall become chargeable on the transfer date, in case the transferor was then chargeable for benefit payments; or shall become chargeable on the date otherwise applicable to the successor or on the date otherwise applicable to the transferor, whichever is earlier, in case the transferor was chargeable for benefit payments on the transfer date."

Section 3 (c) (7) (f) is amended to read as follows:

"(f) Notwithstanding any other provisions of this section, if the successor employer was an employer subject to this act prior to the date of transfer, his rate of contributions the remainder of the calendar year shall be his rate with respect to the period immediately preceding his date of acquisition. If the successor was not an employer prior to the date of transfer, his rate shall be the rate applicable to the transferor or transferors with respect to the period immediately preceding the date of transfer, provided there was only one transferor or there were only transferors with identical rates; if the transferor rates were not identical, the successor's rate shall be the highest rate applicable to any of the transferors with respect to the period immediately preceding the date of transfer. The rate of the transferor, if still subject to the act, will not be redetermined and shall remain the rate with respect to the period immediately preceding the date of transfer.

"For future years, for the purposes of section 3 (c), the Board shall determine the 'experience under this section' of the successor employer's account and of the transferring employer's account by allocating to the successor employer's account for each period in question the respective proportions of the transferring employer's payroll, contributions and the benefit charges which the Board determines to be properly assignable to the business transferred."

Section 3 (c) (7) (g) is hereby repealed.

Section 3 (c) (8) (i) is amended to read as follows:

"i. If as of the computation date the total of all contributions credited to any employer's account, with respect to employment since May 31, 1939, is in excess of the total benefits paid after June 30, 1939, then chargeable or charged to his account, such excess shall be known as the employer's reserve, and his contribution rate for the ensuing calendar year or part thereof shall be—

"(A) 2.7 percent if such reserve is less than .9 percent of his average annual payroll;

"(B) 2 percent if such reserve equals or exceeds .9 percent but is less than 1.4 percent of his average annual payroll;

"(C) 1.5 percent if such reserve equals or exceeds 1.4 percent but is less than 1.9 percent of his average annual payroll;

"(D) 1 percent if such reserve equals or exceeds 1.9 percent but is less than 2.9 percent of his average annual payroll;

"(E) 0.5 percent if such reserve equals or exceeds 2.9 percent but is less than 3.4 percent of his average annual payroll;

"(F) 0.1 percent if such reserve equals or exceeds 3.4 percent of his average annual payroll."

Section 3 (c) (10) is amended by substituting the word "thirty" for the word "fifteen" in the second and seventh sentences thereof.

Section 3 is amended by adding at the end thereof the following new subsections:

"(e) From December 31, 1939, to January 1, 1955, wages, for the purpose of section 3, shall not include any amount in excess of $3,000 paid by an employer to any person arising out of his or her employment during any calendar year. After December 31, 1954, wages shall not include any amount in excess of $3,000 (or in excess of the limitation on the amount of taxable wages fixed by the Federal Unemployment Tax Act (26 U. S. C. 1600, 1607), whichever is greater) actually paid by an employer to any person during any calendar year. After December 31, 1954, the term 'employment' for the purpose of this subsection shall include services constituting employment under any employment security law of another State or of the Federal Government.

"(f) In the event the District of Columbia should elect to cover employees under this act under the provisions of section 1 (b) (8) (i) in lieu of contributions required of employers under this act, the District of Columbia shall pay into the fund an amount equivalent to the amount of benefits paid to individuals based on wages paid by the District. If benefits paid an individual are based on wages paid by both the District of Columbia and one or more other employers, the amount payable by the District to the fund shall bear the same ratio to total benefits paid to the individual as the base-period wages paid to the individual by the District of Columbia bears to the total amount of the base-period wages paid to the individual by all of his base-period employers.

"The amount of payment required under this section shall be ascertained by the Board quarterly and shall be paid from the general funds of the District at such time and in such manner as the Commissioners of the District of Columbia may prescribe except that to the extent that benefits are paid on wages paid by the District from special administrative funds, the payment by the District into the unemployment fund shall be made from special funds.

"(g) Contributions due under this act with respect to wages for insured work shall, for the purpose of this section, be deemed to have been paid to the fund as of the date payment was made as contributions therefor

under another State or Federal employment security law if payment into the fund of such contributions is made on such terms as the director finds will be fair and reasonable as to all affected interests. Payments to the fund under this subsection shall be deemed to be contributions for purposes of section 3."

Section 4 (c) is amended to read as follows:

"(c) (1) If contributions are not paid when due, there shall be added, as part of the contributions, interest at the rate of one-half of 1 percent per month or fraction thereof from the date the contributions became due until paid.

"(2) If contributions or wage reports are not filed when due or contributions are not paid when due, there shall be added as part of the contributions a penalty of 10 percent of the contributions, but such penalty shall not be less than $5 nor more than $25 and for good cause such penalty may be waived by the Board with the approval of the Commissioners of the District of Columbia."

Section 4 (d) is amended to read as follows:

"(d) In the event of the death, dissolution, insolvency, receivership, bankruptcy, composition, or assignment for benefit of creditors of any employer, contributions then or thereafter due from such employer under this section shall have priority over all other claims, except taxes due the United States or the District, and wages (not exceeding $600 with respect to any individual) due for services performed within the 3 months preceding such event."

Section 4 (j) is amended by substituting the following:

"(j) The Board in its discretion, whenever it may deem it administratively advisable, may charge off of its books any unpaid account due the Board or any credit due an employer who has been out of business for a period of more than 3 years. Whenever an account is charged off by the Board, there shall be placed in the minutes of the Board a reason for such action."

Section 4 (l) is amended by adding at the end thereof the following:

"There is hereby established in the Treasury of the United States a special escrow account into which the Board shall deposit all funds received in connection with an offer of compromise. Such funds shall be kept in such escrow account until final action is had upon the offer of compromise and shall not be subject to offset for any indebtedness whatsoever. In the event the compromise is approved, the funds shall be transferred to the District unemployment compensation fund. In the event the compromise is disapproved, the funds shall be immediately returned to the individual who made the offer of compromise."

Section 7 is amended to read as follows:

"AMOUNT AND DURATION OF BENEFITS

"SEC. 7. (a) On and after January 1, 1938, benefits shall become payable from the benefit account of the District unemployment fund. All benefits shall be paid through employment offices, in accordance with such regulations as the Board may prescribe.

"(b) Except as provided in section 7 (c), an individual's weekly benefit amount shall be the amount in column (B) of the table in this subsection on the line on which, in column (A), there appears his total wages for employment paid to such individual by employers during that quarter of his base period in which such wages were the highest.

"Table A

"High-quarter wages (col. A)	Basic weekly benefit (col. B)	Minimum qualifying wages (col. C)
$130.00 to $184	8	276
$184.01 to $207	9	310

"Table A—Continued

" High-quarter wages (col. A)	Basic weekly benefit (col. B)	Minimum qualifying wages (col. C)
$207.01 to $230	10	345
$230.01 to $253	11	379
$253.01 to $276	12	414
$276.01 to $299	13	448
$299.01 to $322	14	483
$322.01 to $345	15	517
$345.01 to $368	16	552
$368.01 to $391	17	586
$391.01 to $414	18	621
$414.01 to $437	19	655
$437.01 to $460	20	690
$460.01 to $483	21	724
$483.01 to $506	22	759
$506.01 to $529	23	793
$529.01 to $552	24	828
$552.01 to $575	25	862
$575.01 to $598	26	897
$598.01 to $621	27	931
$621.01 to $644	28	966
$644.01 to $667	29	1,000
$667.01 and over	30	1,035

"(c) To qualify for benefits an individual must have been paid wages for employment in his base period totaling not less than the amount in column (C) of the table in section 7 (b) on the line on which, in column (B), there appears his weekly benefit amount, and such wages must have been in at least two calendar quarters in his base period: *Provided*, That if an individual during his base period has not been paid such an amount but has been paid wages in at least two quarters in his base period totaling not less than the amount in column (C) of the table in section 7 (b) on the line next above the line on which, in column (B), there appears the computed weekly benefit amount, he can qualify for benefits and his weekly benefit amount shall be the amount appearing in column (B) on the line for which the individual qualifies for benefits in column (C).

"(d) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to 26 times his weekly benefit or 38 percent of the wages for employment paid to such individual by employers during his base period, whichever is the lesser: *Provided*, That such total amount of benefits, if not a multiple of $1, shall be computed to the next higher multiple of $1.

"(e) Any individual who is unemployed in any week as defined in section 1 (e) and who meets the conditions of eligibility for benefits of section 9 and is not disqualified under the provisions of section 10 shall be paid with respect to such week an amount equal to his weekly benefit amount, less the earnings (if any) payable to him with respect to such week. For the purpose of this subsection, the term 'earnings' shall include only that part of the remuneration payable to him for such week which is in excess of 40 percent of his weekly benefit amount for any week. Such benefits, if not a multiple of $1, shall be computed to the next higher multiple of $1.

"(f) Dependent's allowance: In addition to the benefits payable under the foregoing subsections of this section, each eligible individual who is unemployed in any week shall be paid with respect to such week $1 for each dependent relative, but not more than $3 shall be paid to an individual as dependent's allowance with respect to any 1 week of unemployment nor shall any weekly benefit which includes a dependent's allowance be paid in the amount of more than $30. An individual's number of dependents shall be determined as of the day with respect to which he first files a valid claim for benefits in any benefit year, and shall be fixed for the duration of such benefit year. The dependent's allowance is not to be taken into consideration in calculating the claimant's total amount of benefits in subsection (d) of this section."

Section 10 (a) is amended to read as follows:

"(a) An individual who has left his most recent work voluntarily without good cause, as determined by the Board under regulations prescribed by it, shall not be eligible for benefits with respect to the week in which such leaving occurred and with respect to 6 consecutive weeks of unemployment which immediately follow such week, as determined by the Board in such case according to the seriousness of the case."

Section 10 (b) is amended to read as follows:

"(b) An individual who has been discharged for misconduct occurring in the course of his most recent work proved to the satisfaction of the Board shall not be eligible for benefits with respect to the week in which such discharge occurred and for 6 weeks of consecutive unemployment immediately following such week, as determined by the Board in such case according to the seriousness of the misconduct."

Section 10 (c) is amended to read as follows:

"(c) If an individual otherwise eligible for benefits fails, without good cause as determined by the Board under regulations prescribed by it, either to apply for new work found by the Board to be suitable when notified by any employment office or to accept any suitable work when offered to him by any employment office, his union hiring hall, or any employer direct, he shall not be eligible for benefits with respect to the week in which such failure occurred and with respect to 6 consecutive weeks of unemployment which immediately follow such week, as determined by the Board in such case according to the seriousness of the refusal. In determining whether or not work is suitable within the meaning of this subsection the Board shall consider (1) the physical fitness and prior training, experience, and earnings of the individual, (2) the distance of the place of work from the individual's place of residence, and (3) the risk involved as to health, safety, or morals."

Section 10 (f) is amended to read as follows:

"(f) An individual shall not be eligible for benefits with respect to any week if it has been found by the Board that such individual is unemployed in such week as a direct result of a labor dispute, such as a strike or jurisdictional labor dispute still in active progress in the establishment where he is or was last employed: *Provided*, That this subsection shall not apply if it is shown to the satisfaction of the Board that—

"(1) he is not participating in or directly interested in the labor dispute which caused his unemployment; and

"(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the dispute, there were members employed at the premises at which the dispute occurs, any of whom are participating in or directly interested in the dispute: *Provided*, That if in any case separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises."

Section 10 is amended by adding at the end thereof the following subsection:

"(h) An individual shall not be eligible for benefits for any week within the 6 weeks prior to the expected date of such individual's childbirth and within the 6 weeks after the date of such childbirth. In determining the expected date of childbirth the Board in its discretion may rely solely upon a doctor's certificate."

Section 13 (c) is amended to read as follows:

"(c) The Board shall each year, not later than May 1, submit to Congress a report covering the administration and operation of this act during the preceding calendar year, and containing such recommendations as the Board wishes to make."

Section 14 is amended to read as follows:

"SEC. 14. All moneys received by the Board from the United States under title III of the Social Security Act or from other sources for administering this act shall, immediately upon such receipt, be deposited in the Treasury of the United States as a special deposit to be used solely to pay such administrative expenses (including expenditures for rent, for suitable office space in the District of Columbia, and for lawbooks, books of reference, and periodicals), traveling expenses when authorized by the Board, premiums on the bonds of its employees, and allowances to investigators for furnishing privately owned motor vehicles in the performance of official duties at rates not to exceed $40 per month. All such payments of expenses shall be made by checks drawn by the Board and shall be subject to audit by the Commissioners of the District of Columbia in the same manner as are payments of other expenses of the District. Notwithstanding the provisions of this section and the provisions of sections 2 and 8 of this act, the Board is authorized to requisition and receive from its account in the Unemployment Trust Fund in the Treasury of the United States of America, in the manner permitted by Federal law, such moneys standing to the District's credit in such fund, as are permitted by Federal law to be used for expenses incurred by the Board for the administration of this act and to expend such moneys for such purposes. Moneys so received shall, immediately upon such receipt, be deposited in the Treasury of the United States in the same special account as are all other moneys received for the administration of this act. All moneys received by the Board pursuant to section 302 of the Social Security Act shall be expended solely for the purposes and in the amounts found necessary by the Department of Labor for the proper and efficient administration of this act. In lieu of incorporation in this act of the provision described in section 303 (a) (9) of the Social Security Act, the Board shall include in its annual report to Congress, provided in section 13 (c) of this act, a report of any moneys received after July 1, 1941, from the Department of Labor under title III of the Social Security Act, and any unencumbered balances in the unemployment compensation administration fund as of that date, which the Department of Labor finds have, because of any action or contingency, been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Department of Labor for the proper administration of this act."

Section 15 (c) is amended to read as follows:

"(c) The Commissioners of the District shall serve on the Board without additional compensation, but the representatives of employees and employers, respectively, shall be paid $25 for each day of active service. For the purposes of this subsection, a part of a day shall be construed as an entire day."

Section 19 (a) is amended to read as follows:

"(a) Whoever makes a false statement or representation knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase any benefit or other payment provided for in this act or under an employment security law of any other State, of the Federal Government, or a foreign government for himself or any other individual, shall, for each such offense, be fined not more than $100 or imprisoned not more than 60 days, or both."

Section 19 is amended by adding at the end thereof the following subsection:

"(e) Any person who the Board finds has made a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to obtain or increase any benefit or any other payment under this act may be required by the Board to repay to it for the fund a sum equal to the amount of all benefits received by him for weeks subsequent to the date of the offense and falling within the benefit year current at the time of the offense. Such claimant may also be disqualified for benefits for all or part of the remainder of such benefit year and for a period of not more than 1 year commencing with the end of such benefit year and thereafter while any sum payable to the Board for the fund under this subsection is still due and unpaid, unless the Board in its discretion shall decide, after the disqualification imposed has been served, to allow the claimant to file a claim for benefits and recoup from such benefits the amount still payable to the Board.

"All findings under this subsection shall be made by an appeals tribunal of the Board which shall afford the claimant a reasonable opportunity for a fair hearing in accordance with the provisions of section 11 of this act and such findings shall be subject to review in the same manner as all other disqualifications decided by an appeals tribunal of the Board."

There shall be added after section 26 the following:

"SEC. 27. (a) Wherever this act prescribes the performance of a duty by any official or agency of the District of Columbia, such duty shall be performed by the Commissioners of the District of Columbia or such officer, employee, or agency as the Commissioners may delegate to perform the duty for them.

"(b) Where any provision of this act, or any amendment made by this act, refers to an office or agency abolished by or under the authority of Reorganization Plan No. 5 of 1952, such reference shall be deemed to be to the office, agency, or officer exercising the functions of the office or agency so abolished."

SEC. 2. (a) As used in this section, unless the context clearly requires otherwise—

(1) "old law" means the unemployment compensation law prior to its amendment by this act;

(2) "new law" means the unemployment compensation law as amended by this act; and

(3) "effective date" means the date upon which the new law becomes effective.

(b) The benefit rights of any individual having a benefit year current on or after the effective date shall be redetermined and benefits for calendar weeks ending subsequent to the effective date shall be paid in accordance with the new law: *Provided,* That no claimant shall have his benefits reduced or denied by redetermination resulting from the application of this provision. All initial and continued claims for benefits for weeks occurring within a benefit year which commences on or after the effective date shall be computed and paid in accordance with the new law.

SEC. 3. This act shall take effect on the first day of the next succeeding calendar quarter following the enactment of this act.

Mr. TALLE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TALLE: Strike out all after the enacting clause and insert the provisions of H. R. 9648 as passed.

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. 9648 was passed were vacated, and the bill was laid on the table.

ELECTION OF DELEGATES REPRESENTING THE DISTRICT OF COLUMBIA TO NATIONAL POLITICAL CONVENTIONS

Mr. SIMPSON of Illinois. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 1611) to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

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 national committeemen and national committeewomen of political parties and delegates and alternates from the District of Columbia to all conventions of political parties nominating candidates for the Presidency and the Vice Presidency of the United States shall be elected as provided in this act.

DEFINITIONS

SEC. 2. For the purposes of this act—

(1) The term "District" means the District of Columbia.

(2) The term "qualified elector" means a citizen of the United States (A) who has been domiciled in the District continuously since the beginning of the 1-year period ending on the day of the next election or, if such period has not begun, is domiciled in the District and who does not claim voting residence in any State or Territory; (B) who is, or will be on the day of the next election, 21 years old; (C) who has never been convicted of a felony in the United States, or if he has been so convicted, has been pardoned; and (D) who is not mentally incompetent as adjudged by a court of competent jurisdiction.

(3) The term "Board" means the Board of Elections for the District of Columbia provided for by section 3.

CREATION OF BOARD OF ELECTIONS

SEC. 3. There is hereby created a Board of Elections for the District of Columbia, to be composed of three members appointed by the Commissioners of the District of Columbia. The first terms of offices on the Board shall expire, as designated by the Commissioners, one at the close of December 31 of each of the first 3 years which begin after the date of enactment of this act. Subsequent terms of each such office shall be 3 years beginning January 1 following the expiration of the preceding term of such office. Any person appointed to fill a vacant office shall be appointed only for the unexpired term of such office. Until his successor is appointed and has qualified, a member may continue to serve even though the term of the office to which he was appointed has expired.

QUALIFICATIONS AND COMPENSATION OF MEMBERS

SEC. 4. (a) No person shall be a member of the Board unless he qualifies as an elector and resides in the District. No person may be appointed to the Board unless he has been domiciled in the District continuously since the beginning of the 3-year period ending on the day he is appointed. Members of the Board shall hold no other office or employment in the Federal or District government. Not more than two members shall be members of the same political party.

(b) Each member of the Board shall be paid compensation at the rate of $25 per day while performing duties under this act. Except as provided in subsection (a) no person shall be ineligible to serve or to receive compensation as a member of the Board because he occupies another office or position or because he receives compensation (including retirement compensation) from another source. The right to another office or position or to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of the Board, if such service does not interfere with the discharge of his duties in such other office or position.

FUNCTIONS OF BOARD

SEC. 5. (a) The Board shall—

(1) maintain a permanent registry, keeping it accurate and current;

(2) conduct registrations and elections;

(3) print, distribute, and count ballots, or provide and operate suitable voting machines;

(4) divide the District into appropriate voting precincts, each of which shall contain at least 350 registered persons;

(5) operate polling places;

(6) certify nominees and the results of elections; and

(7) perform such other duties as are imposed upon it by this act.

(b) The Board, and persons authorized by it, may administer oaths to persons executing affidavidts pursuant to sections 7 and 8. It may provide for the administering of such other oaths as it considers appropriate to require in the performance of its functions.

(c) The Board may prescribe such regulations as it considers necessary to carry out the purposes of this act.

(d) The Board may employ necessary personnel.

BOARD TO BE INDEPENDENT AGENCY

SEC. 6. (a) In the performance of its duties, the Board shall not be subject to the direction of any nonjudicial officer of the District.

(b) The officers and agencies of the District government shall furnish to the Board, upon request of the Board, as are available such space and facilities in public buildings in the District to be used as registration or polling places, and such records, information, services, personnel, offices, and equipment, and such other assistance and facilities, as may be necessary to enable the Board properly to perform its functions.

REGISTRATION

SEC. 7. (a) No person shall vote in any election in the District unless he is a qualified elector and, except as provided in subsection (e), is registered in the District.

(b) No person shall be registered unless—

(1) he is a qualified elector;

(2) he has been domiciled in the District continuously since the beginning of the 9-month period ending on the day he offers to register;

(3) except as prevented by physical disability, he can read and write the English language, as shown by his ability to read and complete the affidavit prescribed by paragraph (4); and

(4) he executes a registration affidavit, completed in his own handwriting (unless prevented by physical disability) and on the form prescribed by the Board pursuant to subsection (c), showing his political affiliation, and that he meets each of the requirements specified in section 2 (2) for a qualified elector as well as the requirement of paragraph (2) of this subsection.

(c) In administering the provisions of subsection (b) (4), the Board shall prepare and use a registration affidavit form in which each request for information is readily understandable and can be satisfied by a concise answer or mark. With respect to each requirement named in or imposed by such subsection, the Board may make such requests for specific information as in its judgment may be necessary or appropriate to show whether a person seeking to register meets such requirement.

(d) The registry shall be kept open except during the 60-day period ending on the first Tuesday in April of each presidential election year, and except as provided by the Board in the case of a special election. While the registry is open, any person may apply for registration or change his registration.

(e) If a person is not permitted to register, such person, or any qualified candidate, may appeal to the Board, but not later than 3 days after the registry is closed for the next election. The Board shall decide within 7 days after the appeal is perfected whether the challenged elector is entitled to register. If the appeal is denied, the appellant may, within 3 days after such denial, appeal to the municipal court for the District of Columbia. The decision of such court shall be final and not appealable. If the appeal is upheld by either the Board or the court, the challenged elector shall be allowed to register immediately. If the appeal is pending on election day, the challenged elector may cast a ballot marked "challenged," as provided in section 10 (e).

NOMINATIONS

SEC. 8. (a) Candidates participating in an election held pursuant to this act shall be the persons registered under section 7 who have been nominated by a petition—

(1) prepared and presented to the Board in accordance with rules prescribed by the Board, but not later than 60 days before the date of the election; and

(2) signed by not less than 100 voters, registered under section 7, and of the same political party as the nominee.

(b) No person shall hold the office of committeeman, committeewoman, delegate, or alternate unless he has been a bona fide domiciliary of the District of Columbia for 3 years previous to his nomination and is a voter registered under section 7.

EXEMPTION FROM HATCH ACT

SEC. 9. The last sentence of section 9 (a) of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended (5 U. S. C., sec. 118i), is amended to read as follows: "The provisions of the second sentence of this subsection shall not apply (1) to the employees of the Alaska Railroad, residing in municipalities on the line of the railroad, in respect to activities involving the municipality in which they reside, or (2) to any qualified elector of the District of Columbia, in respect to taking an active part in the nomination or election of national committeemen and national committeewomen of political parties and of delegates and alternates representing the District of Columbia at national political conventions."

METHOD OF VOTING

SEC. 10. (a) Voting in all elections shall be secret. Voting may be by paper ballot or voting machine.

(b) The ballot of a person who is registered as a resident of the District shall be valid only if cast in the voting precinct where the residence shown on his registration is located.

(c) There shall be no absentee voting.

(d) Each qualified candidate may have a watcher at each polling place, provided the watcher presents proper credentials signed by the candidate. No one shall interfere with the opportunity of a watcher to observe the conduct of the election at that polling place and the counting of votes. Watchers may challenge prospective voters who are believed to be unqualified to vote.

(e) If the official in charge of the polling place, after hearing both parties to any such challenge or acting on his own initiative with respect to a prospective voter, reasonably believes the prospective voter is unqualified to vote, he shall allow the voter to cast a paper ballot marked "challenged." Ballots so cast shall be segregated, and no such ballot shall be counted until the challenge has been removed as provided in subsection (f).

(f) If a person has been permitted to vote only by challenged ballot, such person, or any qualified candidate, may appeal to the Board within 3 days after election day. The Board shall decide within 7 days after the appeal is perfected whether the voter was qualified to vote. If the Board decides that the voter was qualified to vote, the word "challenged" shall be stricken from the voter's ballot and the ballot shall be treated as if it had not been challenged.

(g) If a voter is physically unable to mark his ballot or operate the voting machine, the official in charge of the voting place may enter the voting booth with him and vote as directed. Upon the request of any such voter, a second election official may enter the voting booth to assist in the voting. The officials shall tell no one how the voter voted. The official in charge of the voting place shall make a return of all such voters, giving their names and disabilities.

(h) No person shall vote more than once in any election nor in an election held by a political party other than that to which he has declared himself to be a member.

(i) Copies of the regulations of the Board with respect to voting shall be made available to prospective voters at each polling place.

SEC. 11. (a) The election of national committeemen and national committeewomen of political parties and of delegates and alternates to national political conventions shall be held on the first Tuesday in April of each presidential election year. Any such election shall be conducted by the Board in conformity with the provisions of this act. Polls shall be open from 8 antemeridian to 8 postmeridian on election days.

(b) Candidates receiving the highest number of votes in said election shall be declared the winners.

(c) In the case of a tie, the candidates receiving the tie vote shall cast lots before the Board at 12 o'clock noon on a date to be set by the Board, but not sooner than 10 days following the primary, and the one to whom the lot shall fall shall be declared the winner. If any candidate or candidates, receiving a tie vote fail to appear before 12 o'clock noon on said day, the Board shall cast lots for him or them. For the purpose of casting lots any candidate may appear in person, or by proxy appointed in writing.

RECOUNTS AND CONTESTS

SEC. 12. (a) If, within 7 days after the Board certifies the results of an election, any qualified candidate at such election petitions the Board to have the votes cast at such election recounted in one or more voting precincts, the Board shall order such recount. In each such case, the petitioner shall deposit a fee of $5 for each precinct petitioned to be recounted. If the cost of the recount is less than $5 per precinct, the difference shall be refunded. If the result of the election is changed as a result of the recount, the entire amount deposited by the petitioner shall be refunded. Such recounts shall be conducted in the manner prescribed by the Board by regulation.

(b) After the Board certifies the results of an election, any person who voted in the election may petition the United States District Court for the District of Columbia to review such election. In response to such a petition, the court may set aside the results so certified and declare the true results of the election, or void the election. To determine the true results of an election the court may order a recount or take other appropriate

action, whether or not a recount has been conducted or requested pursuant to subsection (a). The court shall void an election only for fraud, mistake, or other defect, serious enough to vitiate the election as a fair expression of the will of the registered qualified electors voting therein. If the court voids an election it may order a special election, which shall be conducted in such manner (comparable to that prescribed for regular elections), and at such time, as the Board shall prescribe. The decision of such court shall be final and not appealable.

INTERFERENCE WITH REGISTRATION OR VOTING

SEC. 13. (a) No one shall interfere with the registration or voting of another person, except as it may be reasonably necessary in the performance of a duty imposed by law. No person performing such a duty shall interfere with the registration or voting of another person because of his race, color, sex, or religious belief, or his want of property or income.

(b) No registered voter shall be required to perform a military duty on election day which would prevent him from voting, except in time of war or public danger or unless he is away from the District in military service. No registered voter may be arrested while voting or going to vote except for a breach of the peace then committed or for treason or felony.

EXPENDITURES

SEC. 14. (a) There is hereby authorized to be appropriated, out of the funds of the District of Columbia, such amounts as may be necessary to carry out the purposes of this act.

(b) Subject to the penalties provided in this act, a candidate for national committeeman, national committeewoman, delegate, or alternate, in his campaign for election, shall not make expenditures in excess of $2,500.

(c) No independent committee or party committee shall receive contributions aggregating more than $100,000, or make expenditures aggregating more than $100,000 for any campaign covered by this act.

(d) No person shall, directly or indirectly, make contribution in an aggregate amount in excess of $5,000 in connection with any campaign for election of any national committeeman, national committeewoman, delegate, or alternate.

(e) Every candidate and independent committee or party committee shall within 10 days after the election, file with the Board of Elections an itemized statement, subscribed and sworn to, setting forth all moneys received and expended in connection with said election, the names of persons from whom received and to whom paid, and the purpose for which it was expended. Such statement shall set forth any unpaid debts and obligations incurred by the candidate or independent committee or party committee with regard to such election, and specify the balance, if any, of election funds remaining in his or their hands.

PENALTIES

SEC. 15. Any person who shall register, or attempt to register, under the provisions of this act and make any false representations as to his place of residence or his voting privilege in any other part of the United States, or be guilty of bribery or intimidation of any voter at the elections herein provided for, or, being registered, shall vote or attempt to vote more than once in any election so held, or shall purloin or secrete any of the votes cast in such elections, or, if employed in the counting of votes in such elections, make a false report in regard thereto or attempt to vote in an election held by a political party other than that to which he has declared himself to be affiliated, and every candidate, person, or official of any political committee who shall make any expenditure or contribution in violation of this act, shall upon conviction thereof be fined not more than $500 or be imprisoned not more than 90 days, or both.

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 SPEAKER. That completes the bills from the Committee on the District of Columbia to be considered today.

AZIZOLLAH AZORDEGAN

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2798) for the relief of Azizollah Azordegan.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Azizollah Azordegan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

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.

WAIVER OF STATE RESIDENCE REQUIREMENTS IN ELECTIONS OF FEDERAL OFFICIALS

Mr. CURTIS of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 218) favoring the waiver of State residence requirements in elections of Federal officials.

The Clerk read the title of the concurrent resolution.

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses itself as favoring, and recommends to the several States the immediate enactment of appropriate legislation to enable a person to vote for Federal officials, when such person would be eligible to vote for such Federal officials but for the residence requirements of the State in which he is residing.

With the following committee amendment:

Before the resolving clause insert the following:

"Whereas many citizens are deprived of the right to vote because they have recently moved from one State to another and have not subsequent to such move complied with the residence requirements of the State to which they have moved; and

"Whereas it is desirable that citizens should be entitled to vote for the office of President and Vice President whether or not they had moved from one State to another; and

"Whereas such disfranchisement could be avoided by reciprocal arrangements between the several States which would recognize the right of a citizen who had moved from one State to another to continue to vote in the State from which he had moved for such reasonable period of time as would enable him to fulfill the residence requirements in the State to which he had moved: Therefore, be it,"

Strike out all after the resolving clause and insert the following: "That the Congress expresses itself as favoring, and recommends to the several States the immediate enactment of appropriate legislation to enable a person to vote when such person would be eligible to vote but for the fact that he had moved from one State to another and had not yet fulfilled the residence requirements of such State to which he had moved."

Mr. CURTIS of Massachusetts. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Massachusetts to the committee amendment: On page 2, line 8, strike out "recommends" and insert in lieu thereof "suggests"; and on page 2, line 9, strike out "immediate enactment" and insert "consideration."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

SPECIAL COMMITTEE ON TAX-EXEMPT FOUNDATIONS—ANSWERS OF ROCKEFELLER FOUNDATION AND GENERAL EDUCATION BOARD

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. JAVITS. Mr. Speaker, the Rockefeller Foundation and the General Education Board written and sworn statement in lieu of testimony at public hearing, which had been denied them by the Special Committee on Tax-exempt Foundations, contains a recommendation of the utmost fairness which might yet redeem some of the injustice caused by cutting off the foundations from public testimony. They suggest that the foundations be afforded "an opportunity to be heard on the draft of any report which the committee proposes to submit."

Despite my demand for a hearing on House Resolution 649, the Rules Committee has not yet undertaken to review the investigative procedures of the special committee. But at least it should give the foundations the chance to be heard on the draft report and I would urge the Rules Committee and the House leadership to see that this is done. The Rockefeller Foundation's answer says: "We see no other way to insure that we are responsive to the real issues in the minds of the committee which

would have been disclosed had public hearings not been terminated."

This makes sound sense.

It is particularly true because much of the affirmative evidence before the special committee given in public session consists of lengthy staff reports trying to prove that because of grants in the social sciences—which incidentally constitute 15 percent of the Rockefeller Foundation's and General Education Board's expenditures—the bulk of its grants being for the enormously important sponsorship of medical research and advances in public education—the foundations are responsible for much of the social welfare legislation enacted from 1933 on, which the staff report calls—according to the answer—subversive, un-American, and contrary to the public interest.

I commend to Members the Rockefeller Foundation's and General Education Board's conclusions especially urging that tax-exempt organizations make regular public reports about their funds and activities as the predecessor Cox committee recommended; second, that the Internal Revenue Service be fully staffed to supervise tax-exempt entitlement of foundations; and third, that "there is fundamental injustice in using the staff members of an investigating committee in both an accusatory and an adjudicative role."

The reported statement of the chairman of the special committee that some small foundations may be engaging in activities not entitled to tax exemption is certainly no excuse for the harm done to all foundations by denying the foundations a public hearing in the investigation.

I again urge the Rules Committee to exercise legislative oversight over the special committee and to see that the foundations have at least an opportunity to be heard on the draft report.

CALENDAR WEDNESDAY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday may be dispensed with.

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

There was no objection.

SUBVERSIVE ACTIVITIES CONTROL BOARD

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

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

There was no objection.

Mr. WALTER. Mr. Speaker, there issued from an agency of the executive branch last week a recommendation on communism of far-reaching import, which I wish to discuss at length.

After a long and impartial hearing, an outfit called the Labor Youth League was found by a member of the Subversive Activities Control Board to be a Communist front. If the full Board adopts its member's recommendation, then, under the Internal Security Act, the league must register, as all Communist fronts are required to do.

In my capacity as ranking minority member of the House Committee on Un-American Activities, Mr. Speaker, I have watched with growing anxiety the tide of controversy arising as this Government has invoked protective measures against internal communism. My alarm is the greater because I know that, as such controversies divide the American people, so they weaken our leadership, on which the safety of the whole free world depends. I recognize, as all who study this question of security versus freedom must recognize, that such controversies can only benefit the Communists.

It was, then, with a sense of satisfaction, Mr. Speaker, that I observed the quiet, even casual reception given the SACB decision in the case of the Labor Youth League. Had the SACB operations aroused conflict, as some operations have aroused it, we may be sure that this decision would have been featured in the press. As it was, the New York Times buried its account of the matter on one of its inside pages while the Washington Post, in the editions which I scanned, gave it no mention at all. So much the better for security, it might be argued, in a time when this issue of security and freedom perplexes us so much.

Scant as was the notice given this Labor Youth League decision, Mr. Speaker, the SACB must not be dismissed as unimportant or its actions impotent. Members of this body may be surprised to learn how far reaching are the results the SACB decisions can bring about. True, the SACB functions without provoking quarrels or controversy, and in strict conformance with our traditions of fair play and equal justice; true also that its orders conform rigidly with the constitutional guaranties of freedom of speech, of press, and of assembly. The SACB may, nevertheless, do no less than put internal communism out of business, and when I say "out of business" I mean that through this agency, the Communist conspiracy may be put out of action—lock, stock, and barrel—I do not mean that communism may be pushed into more dangerous action underground.

But, while rejoicing that this nonpartisan, quasi-judicial SACB does its purposeful work without arousing fears that it is eroding freedom, I wish that the world knew more about its operations. Do our own people realize that this doughty little agency has pushed the Communist Party to a point where it complains of being forced into suicide? Do our allies abroad realize that amidst all the partisan turmoil over investigations of communism, the one agency empowered to control communism provokes no partisan discord whatever?

These are facts, Mr. Speaker, of which Members of this body should inform their constituents, facts of which the Voice of America should inform the world. I propose today, then, Mr. Speaker, to discuss in some detail the SACB's procedures and to describe the types of organizations to which its operations are directed. I shall treat also of the SCAB's makeup, which is bipartisan, and touch upon the court tests which its functions have undergone. None of this discussion will be news to those who follow closely the trend of our antisubversive operations, as I do. But some of it should be heartily reassuring both to Americans who are troubled over the state of our liberties and to our allies overseas who first let partisanship on these matters disunite us.

Taking up, first, the kinds of organizations to which the SACB controls are applicable—they are of two types termed "Communist action organizations" and "Communist fronts." The Labor Youth League, first of the active fronts in the Marxian conspiracy to face an SACB registration order, typifies a front. The league was founded in Chicago just 5 years ago to secure what has become the prime objective of the Soviet-led conspiracy everywhere, the capture of youth. To achieve the revolutions to which all their efforts are directed, the masters of the Marxian conspiracy realize, half the battle is to enslave the minds of impressionable youngsters in their teens.

In this, the Labor Youth League was altogether too successful for our comfort for a long time. It established chapters at a number of our universities—State and private; it set up clubs in our great industrial areas, including some in my own State of Pennsylvania. When, soon after its founding, an alert Federal Bureau of Investigation reported the league's activities to Tom Clark, then Attorney General, he at once placed the league on his list of subversive organizations. As we know, however, Mr. Speaker, such a listing entails no firm control or restraint on organizations thus branded. Although the league found the healthy Pennsylvania soil anything but hospitable, it thrives elsewhere, as came forcibly to my attention when, during one of my campaigns, $67,000 of the sum raised outside the State against me was traced to this source.

If, through such fronts as the league, the Communists expected to pursue their revolutionary schemes unhindered, they reckoned wrongly. In 1948, the year the Communist Party conceived the league idea, there developed in the Committee on Un-American Activities of this House a blueprint for the SACB, the legally constituted instrument for controlling the conspiracy. Let those, at home and abroad, who fear that partisanship over security amongst us may impair our unity, look at the history of the law which brought the SACB into being. Seldom in the development of any legislation has partisanship counted for less.

The initial blueprints for the SACB were laid out by the House Committee on Un-American Activities in a now almost forgotten measure called the Mundt-Nixon bill. Even among veteran Members here, how many today recall the Mundt-Nixon bill and what happened to it? This House, then under Republican control, passed that bill but, perhaps because it was a Republican product, the

two principal Republican leaders, the Messrs. Dewey and Stassen, contenders for the presidential nomination of their party that year, disagreed upon its meaning. In recalling now the Dewey-Stassen debate over whether, under the Mundt-Nixon bill, the Communist Party would or would not be outlawed, I intend no reflections upon the present majority party, much less upon the bill's authors.

We, of the present minority, have had our differences over the SACB legislation as well.

Worthy in purpose, the bill's terms were obscure, whence the other Chamber shelved it when it arrived there. But when, 2 years later, the Reds struck treacherously at our sister-republic of Korea and the Communists here leaped to defend their perfidy, the Mundt-Nixon bill came off the shelf. Reworked by the masterly hand of the senior Senator from Nevada, then chairman of the Senate Judiciary Committee, it emerged as the Internal Security Act of 1950; supported by the leaders of both parties, it overwhelmingly passed.

It is true, Mr. Speaker, that President Truman vetoed the internal security bill, but no less true that, on its repassage over his veto, he vigorously set about applying this surgical scalpel to the communism's tumorous growths.

The law required that the SACB should be bipartisan in makeup. The nominees Mr. Truman first appointed—2 Democrats, 2 Republicans, and 1 independent—comprised a tripartisan board.

The law required the Attorney General to proceed before SACB against any organization he believed to be engaged in Communist action or Communist-front activities. Immediately the SACB had set up for business, Attorney General J. Howard McGrath at the President's instruction, filed an action before it against the Communist Party as a Communist-action organization, this being defined as any action which served the Soviet cause.

Mr. Speaker, we hear much from the left these days of the principle of due process; of the right of every citizen to fair and impartial hearing; of the right accorded even to murderers of a day in court. There are equally strident clamors from the right. When, from the left, we are accused of denying Communists and their cohorts due process and treating them worse than murderers, the right charges us with "coddling" them. Because, forsooth, we permit Communists to invoke the fifth amendment, that amendment must go.

Does the Constitution, then, need revision before we can get at Communists, or, in the effort to get at them, are we already dismantling the Constitution? Are we coddling Communists or are we murdering them? Obviously, we cannot be doing both.

What we are doing through SACB, Mr. Speaker, is giving them that sure and equal justice under the Constitution which, as I have said, may dissolve their conspiracy. I shall treat of the evidence from the Communist Party case on this point in just a moment. Right now, let us examine the record in the Labor Youth League case which bears equally on the point.

In this first case of an active front, the Attorney General presented 14 witnesses; the league only 4 witnesses. Each side stood equal before the Honorable Harry P. Cain, a former United States Senator from the State of Washington, designated by the SACB as the member to conduct the case. For the league's convenience in presenting its side, the hearing moved from Washington to New York City, seat of the league's headquarters. The league, accorded full and equal right to cross-examine witnesses, employed that efficient legal engine to the full.

The Attorney General's witnesses, some of them ex-leaguers who had left the organization in disgust or disillusionment, were subjected by the league's lawyers to a harrowing of their lives and habits, their beliefs and theories, their motives and truthfulness, without their testimony being impaired in the slightest degree.

When, however, the league's own four witnesses took the stand and in turn were cross-examined on their Communist affiliations, all four pleaded the fifth amendment. Did this appeal by the league's witnesses to the privilege of nonincrimination wreck the Attorney General's case? Of course not. Rather, his case was strengthened. With the league charged as a front, that is, an organization under the Communist Party's control, and its witnesses refusing to say whether they were subject to the Communist discipline that maintains this control, their silence, we might conclude, pleaded the league guilty as charged.

Communists are denouncing this decision. The Daily Worker has vilified its author as a "witch hunter," the least of the epithets it has used. But the diatribes from the Communist Party's mouthpiece aside, the decision has caused little stir. The SACB does not stoop to answer its detractors.

Shunning sensationalism, scorning the retaliation smear, the agency applies equal justice, calmly and dispassionately, and it lets its actions speak for themselves. But these actions are presently drowned in a din of talk arising from the area to which the actions apply.

I repeat, Mr. Speaker, that Members of this body should inform their constituents on how the SACB operates. The American people should be told that beneath the cacophony of talk of communism that distracts the Nation an efficient machinery for control of communism hums along. Peoples abroad, now misled into believing that communism has driven us to resort to "thought control," should likewise be told of the reality which the SACB exemplifies. Every overseas library of the United States Information Service should carry on its shelves a comprehensive account of this Agency's task and how it is performed.

The learned scholar Prof. Frederick L. Schuman of Williams College, an expert on the problem of controlling communism, has published an illuminating comment. Once a critic of the SACB, Professor Schuman now holds that the agency "scrupulously observes due process and is concerned with protecting the constitutional rights of Communists" and in that he is correct.

Due process for Communists may, to the unthinking, seem equivalent to softness; softness there should not be. Communists, if not guilty of legal treason, are most certainly moral traitors, and betrayal of one's country to a deadly enemy, as the Communists would like to see us betrayed to their Soviet master, is political parricide. The Communists should and must get their just deserts.

But due process does not impede justice; on the contrary it furthers justice and, as demonstrated by the Communist Party's effort to obstruct the SACB brand of justice, this justice is most effectively firm.

When, upon passage of the Internal Security Act, Attorney General McGrath announced that he intended to enforce it, the Communist Party, before a Federal statutory court here in the District of Columbia, sued to enjoin him. To both those who cry "witch hunt" and to those who shout "softness," I commend a study of the arguments in that injunction suit and its outcome.

Enforcement of the act, the Communist Party argued, would deprive Communists of their reputations and their livelihood; the mere announcement of the Attorney General of his intention to enforce it, said the party, had prompted landlords to shut their meeting halls against it and channels of the press, radio and TV, previously open to it, were closed down.

I quote from the Communist Party's brief in appealing for an injunction a sentence epitomizing its estimate of the act and its control:

> No political party can shoulder such sanctions—
>
> Said the brief—
>
> and still survive.

As the court was to point out in an opinion accompanying its decision on the suit, the Communist Party is more than a political party; it is a revolutionary conspiracy. But the opinion also granted that the party's prophecy of its own death might be more than a mere fancy, but rather a consequence not unlikely to result from the controls which, themselves, do not spell out any death sentence.

In speaking of the controls, thus far, I have only mentioned registration, and this in connection only with organizations. But registration does not apply to organizations alone. In the case of Communist fronts all officers of the front must publicly register once yearly, and in the case of Communist action organizations the registration applies to all members as well. Beyond that, both types of organizations must file yearly financial reports; they must label all their written and spoken propaganda as "Communist." Member of neither type of organization may apply for or use passports nor may they seek or hold jobs in the Federal employ. Any and all evasions of these controls are punishable by the severest penalties, as we shall see.

The party's whinings about the livelihood of its members and its own bleak future had, then, considerable basis in fact.

Having heard the Communist Party's argument and the answers of the SACB and the Attorney General, the three-judge court denied the injunction, forthwith. In his opinion, the court's senior member, Circuit Judge David L. Bazelon, summing up the act's purpose, used language which is also to be recommended for study both by those who fear communism is goading us to sacrifice our liberties and to those who suspect we are neglecting the security threat which it presents.

Conceivably, said Judge Bazelon, the party might, under control, be deprived of members and contributions, of public good will, and of the exercise of freedom of speech and assembly; it might, in other words, die. But much more was involved, the opinion added, and I quote:

The Board and the Attorney General—

Wrote Judge Bazelon—

contend that the act represents an attempt to balance the interest of liberty with the interest of the Nation in combating * * * a clear and present danger to security. It was felt that the label "political party" should not be used to shield foreign-controlled groups. The problem, then, was how best to remove the cloak and yet leave unchecked any bona fide participation in the political process. This problem, Congress sought to meet.

The SACB has met and solved this problem, Mr. Speaker. The cloak has been removed. The Attorney General proceeded with his case against the party, and the SACB members, sitting as judge and jury for the American people, here as afterward in the Labor Youth League case, heard both sides impartially, with due process governing every move.

The SACB's verdict, finding the party to be an agent and puppet of the Soviet Union, probably surprised no one, least of all the Communists. But the registration order that accompanied it is still provoking the party's anguished howls. In his appeal from the finding and order, recently argued before the United States Circuit Court here, the party's attorney whined that "compliance would be tantamount to committing suicide." Is there a basis for this charge, Mr. Speaker? In my judgment there is. The names of all Communists underground as well as above ground are known to the FBI and, with each day's nonregistration a separate offense punishable by $10,000 fine and 5 years in prison, those evading registration face bankruptcy and a lifetime in jail.

But does this represent any denial of freedom? Not at all, Mr. Speaker, for nothing in the controls themselves deprives the party of a single constitutional right. It is "suicide" if and when it comes will be truly that, a death self-inflicted, occurring only because communism cannot stand public identification with the foul system, which, by deceit and treachery, seeks to impose the Soviet Union's hideous slavery on this free land.

The Labor Youth League, too, works for the imposition of this system, as SACB member Cain's recommended decision finds. As to other alleged Communist fronts on or awaiting hearings before the agency, I shall withhold comment, for their cases are not yet complete.

The Labor Youth League decision embodies not only member Cain's findings but a detailed exposition of the act. As to this decision I shall shortly introduce a resolution in this House.

I am convinced, Mr. Speaker, that, as the work of the SACB becomes better known the fog surrounding this Communist control problem here at home will be banished and the murk abroad be lightened. In furtherance of this educational process, I shall, in my resolution to be presented later, propose publication of the decision in the Labor Youth League case as a House document.

"PRAY FOR PEACE"

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, on May 12 I introduced the bill H. R. 9120, to provide a canceling or postmarking die for postal mail bearing the words "Pray for Peace." It was reported from committee this morning.

Peace, like freedom, must be cherished and nurtured, else it may vanish before our eyes. In the long and bloody history of the world there have been few times in which it has been more universally sought than now. We have searched near and far to find it, save in our own hearts. We seem to have become oblivious of the fact that peace must be based upon brotherhood, morality, and mutual respect among ourselves and among other nations. We seem to grow weary of the thought which we know to be true, that lasting peace with honor can never be attained by force of arms alone, nor can it be maintained by unholy alliance or truce born out of necessity or balance of power.

The inescapable truth of the matter is that we have tried, without real success, every method known to man to attain peace. Why not turn to God? We ought to remember Him, for in many ways since the founding of our Nation He has blessed us abundantly.

It is incumbent upon us, as a Republic founded upon religious concepts, and as one of the last and strongest pillars in the citadel of the free world, that we work as if everything depended upon ourselves and pray as if everything depended upon Almighty God.

"Pray for Peace" upon our cancellation die will go far in expressing our attitude of dependence upon the Supreme Being and of our striving for a true peace in our time." Congress should pass this bill.

"For more things are wrought by prayer than this world dreams of."

COMMITTEE ON COMMUNIST AGGRESSION AGAINST POLAND, HUNGARY, CZECHOSLOVAKIA, BULGARIA, RUMANIA, LITHUANIA, LATVIA, ESTONIA, ALBANIA, RUSSIA, THE UKRAINE, BYELORUSSIA, AND OTHER NONRUSSIAN NATIONS OF THE U. S. S. R.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. KERSTEN] is recognized for 60 minutes.

Mr. KERSTEN of Wisconsin. Mr. Speaker, when the Communists invite anyone to visit the slave world, the visitor is taken on a conducted tour.

For example, a witness before our committee in Munich testified that he had lived through the horrors of the Communist-created famine of Ukraine. Six to seven million people died of starvation. During the famine the Communists invited the French statesman, Eduard Heriot to visit Ukraine.

Heriot came to a village near Karkhov where the witness lived and was taken on a conducted tour by the Communists. What Heriot saw was the fronts of the houses newly painted while directly in back of them people were living like animals in holes dug in the ground. He saw in the windows of the shops, along this prepared route, stocks of loaves of bread and people who appeared to be freely buying them.

What Heriot was not allowed to see was that behind these shops and newly painted houses, the police had closed off all roads to the famine-stricken people. He had not seen any of the instances in which hunger-crazed people actually engaged in cannibalism.

That is why Heriot, after his visit, made public statements that he saw no famine in Ukraine and that life was quite normal there.

Another witness, a Soviet officer who was a recent escapee from Russia, told us that there are several cities in the Soviet Union inhabited completely by actors who are there to give visitors an impression of Soviet happiness and prosperity.

One could mention many such Communist deceptions: the construction of Stalin-Allee in East Berlin which is little more than a stage prop for Communist photography; seven religious schools in Hungary permitted to remain open after more than 3,000 have been closed by the Communists. The seven remain open merely to take pictures of them to put into brochures for circulation into the free world through Hungarian embassies to prove that religious freedom exists today in that Communist-dominated country.

The Communists cannot afford to permit the free world to know conditions or the real feelings of the people in the enslaved nations.

Statesmen of the free world apparently do not know the full truth inside the slave empire. They are beguiled by Communist false propaganda and duped by the smooth confidence men who peddle the Communist line all over the world. If the statesmen of the free world did know the full truth as to conditions

inside the USSR, they would never give the Communists time to digest their gains, time to overcome the tremendous anti-Communst feeling among the mass of people in the Soviet slave world.

Our committee, in recent hearings in Chicago, New York, London, Munich, and Berlin, gathered evidence of the true conditions behind the Iron Curtain from the lips of people who know them first hand.

The testimony of these escapees from communism is no phony propaganda dreamed up by Pravda in Moscow. It's the ugly truth of what it means to be completely ruled by criminals.

We have the oral testimony from 165 witnesses and many hundreds of sworn statements.

It indicts the felons of the Kremlin.

Testimony was received from Poles, Hungarians, Bulgarians, Rumanians, Estonians, Latvians, Lithuanians, Ukrainians, Byelorussians, Germans, Czechs, Slovaks, and Russians. Sworn statements were received from Armenians, Georgians, Azerbaijans, North Caucasians, Cossacks, Idel-Uralians, and Turkestanians. The cross section of witnesses included members of former ruling royal houses as well as ordinary workers and peasants; internationally known generals, political leaders and soldiers; members of the formerly free parliaments and governments; clergymen of all denominations; heads of great institutions of learning, teachers and students; businessmen, labor leaders, seamen and housewives; intellectuals; and even children. They were people who escaped from their Communist-controlled homelands just a few months ago, as well as those who escaped during and after World War II.

Barbed wires, mined fields, machineguns, savage dogs, and ruthless frontier guards, have not been able to shut the door of freedom to those who chose escape to the West.

All who testified have one thing in common; they were eyewitnesses. They saw. They experienced. They were there. Most of them suffered the tortures of communism. They came separately from the different nations enslaved by communism but with fundamentally the same story: the antihuman nature of life under communism.

The basic conclusions from their cumulative testimony under oath cannot be questioned. It was a tragic parade of witnesses—people from another world. A dreadful world of mass murder and anonymous graves, of concentration camps, prisons, slave-labor camps, and ever-present secret police, and hatred, hatred beyond the comprehension of us Americans.

I want to say in listening to this testimony by the members of our committee, a committee which in my opinion has truly been one of the most bipartisan committees it has ever been my experience to know anything about, let alone being a member and the honor of being chairman of. Mr. BUSBEY, of Illinois; Mr. BENTLEY, of Michigan; Mr. BONIN, of Pennsylvania; Mr. HILLINGS, of California; Mr. MADDEN, of Indiana; Mr. MACHROWICZ, of Michigan; Mr. DODD, of Connecticut; and Mr. FEIGHAN, of Ohio—each one of those members has brought his own great personal experience to the work of the committee and each one of them has made, through the work of this committee, a major contribution to the security of the United States.

The unanimous report that we are filing here this afternoon should be a powerful blow against the hold of the Communists upon the enslaved nations.

LISTEN TO THEIR STORIES FROM EACH COUNTRY

There was the 14-year-old Polish boy who was not permitted to go to school because he would not join a Communist youth organization and whose parents did not belong to the party. The boy was ordered to a labor camp. He decided to escape. Then with the aid of his relatives he made his way all alone from deep inside Communist Poland to the German border, crossed rivers and treacherous barbed wire near a watch tower where he was shot at by Communist border guards but luckily escaped to tell his story.

There was an Hungarian family of five—father, mother, and three children. The children told of the diabolical indoctrination in Communist schools. The father told of the crushing of labor unions when the Communists took over.

There was the story of the village priest from Czechoslovakia who was ordered by the Communists to the edge of town with 200 other civilians and there to dig their graves. When the graves were dug the Communists turned the machineguns on the 200 men and he fell into the graves with the other men, most of whom were immediately killed and he later escaped from the grave to tell the story.

There was the testimony of King Michael of Rumania in London, who told of Communist reprisals on people who demonstrated in honor of the King on St. Michael's Day. The Communists took the female children of these demonstrators to prison cells to be assaulted all night by special gangs of ill and infected people. The next morning these children were sent back to their parents with a piece of paper hung around their necks explaining that they had been assaulted by a syphilitic some time during the night and the Communists would continue this practice in the future if the demonstrations did not stop. It was shortly after this that Vishinsky forced Michael's abdication in Rumania.

In Berlin, an East German physician, who had been a Communist for many years, told of his torture for 14 months by the NKVD, and finally his sentence to the Vorkuta slave labor camp in Arctic Russia, known as the "hell hole" of the NKVD prisons. Three hundred thousand people are kept there in this Arctic slave camp. Thousands of them are women. He told of the strike these slaves finally made against the subhuman conditions of the camp and how the Soviet regime, the great benefactors of the workers, cut hundreds of the strikers down with machine guns.

From Bulgaria came the young medical student who escaped after spending 2 years in a slave camp of 3000. He had been condemned to the camp because he would not join the Communist organization in the medical school. He described conditions in this Bulgarian slave camp where they were obliged to make a certain quota of bricks each day. If they failed to keep up with the quota they were beaten into unconsciousness. He was beaten a number of times and on one occasion his body and ribs were broken because he didn't make his quota of bricks.

A witness from Byelorussia produced an original NKVD document from the files of the Communist police, showing the official murders and tortures of over a million peasants and workers during one period. He produced also the incriminating evidence from the files of the NKVD, showing that during the year 1937–38, 50,000 Byelorussian people were brutally shot. This Soviet document is in possession of the committee. It shows many other imprisonments and mass murders, making a total of 13 million executed of innocent Byelorussian people alone, all written on the official Soviet documents.

Several witnesses testified to the Vinitsia Massacre in Ukraine where a mass grave of over 10,000 corpses was found and there was testimony that there were 19 other such graves, making a total of 200,000 Ukrainian innocent victims.

In Detroit we heard the story of the Lithuanian mother who told of finding the body of her young son in the forest with 18 other teen-agers who were taken from schools, tortured and murdered by the NKVD. In Latvia and Estonia we heard the testimony of deportations of hundreds of thousands of people into Siberia away from their loved ones at home.

One of the most dramatic stories was that of the Russian NKVD officer, who confirmed the system of mass murders and deportations by telling of his actual participation in the deportation of over one-half million people in one afternoon and of the ruthless extermination of the Lithuanian patriots by the NKVD in the Baltics.

These were just some of the stories. From Poland, Hungary, Czechoslovakia, Rumania, East Germany, Bulgaria, Byelorussia, Ukraine, Lithuania, Latvia, Estonia, and Russia.

Some of our liberal friends in the free world say that you cannot call these actual crimes.

But the people of these nations call them crimes. They call them evil. We call them evil. It is only the Communists who call them virtues. Where do our liberal friends stand who want to co-exist with the Communists half way between good and evil?

I have here a schoolbook that is currently being used in the Communist schools. It tells the story of young Pavlic Morosow, the glorious young Communist patriot who turned his father over to the executioner because the father had hidden grain in the cellar against the Communist orders.

They have erected a statue to the glorious young Pavlic in Krasnaya-Presnya Square in Moscow. It is only in hell and

in Moscow that they would erect a statue to glorify patricide. The truth of the matter is that the leadership of the good elements of society are put in jail, slave labor camps, or shot.

When Vishinsky took over Latvia, he appointed Cipe Gutmanis, a convicted thief and robber, as chief of police at Riga. He appointed Bollankirs Matiss, a convicted thief, as chief of police for Liepajas, the second city of Latvia. He appointed Clemins Augusts, a bandit and a robber, as chief of police at Daugapils, third city of Latvia.

Here are their pictures taken from the police files.

Vishinsky picked the evil men of society to rule society and he personally planned the mass murders and deportations for that defenseless small nation of Latvia that resulted in the extermination of several hundred thousand innocent victims.

Who are these men with whom some say that the free world should co-exist?

Vishinsky, as I have just related, is personally guilty of mass murders and criminal actions, according to the testimony we have received.

Our evidence also contains the indictment of the personal crimes of Molotov—Skriabin is his real name. We have substantial evidence that Molotov in 1920, when he was general secretary of the Communist Party in Ukraine, organized the mass arrests and exterminations of thousands of victims in Karkhov. Molotov wiped out whole villages of peasants and workers with punitive units of the GPU, directed personnally by him.

Malenkov today has placed in charge of his police organization the notorious MVD, two men with records of mass murders that extend back for several decades. We have the evidence that his two henchmen, the first Kruglov, gave orders in Lithuania to burn any house or village and all the people enclosed into which a victim escaped. Thousands were burned to death under Kruglov's direction. We also have the evidence that Malenkov's No. 2 man Serov, personally framed the deportation orders to send husbands of families into Siberia forever separated from their loved ones. We also have additional evidence on Serov, showing that he deported the whole nation of the Chechen-Ingush, sending most of them to their death in the Arctic.

Life magazine contains substantial evidence in an issue of a few weeks ago, of the personal crimes of Chou En Lai.

Who can have the effrontery to advise our leaders, to advise President Eisenhower to sit around the conference table with characters of this kind whose criminal records of personal crimes are greater than any known to history.

During the course of our hearings we have taken the sworn testimony of more than 165 witnesses and the list of these people reads like a "Who's Who" from behind the Iron Curtain. It is on the basis of their testimony that we have prepared this report and submit the following six recommendations, which we feel, if adopted, will be of substantial help in winning the cold war. These recommendations are:

RECOMMENDATIONS

1. That the President of the United States take the initiative in convening an international conference of all free non-Communist nations for the following purposes:

(a) To express formal recognition of the fact that the Communist governments, which now control over 800 million human beings, are not representative of the will of the people.

(b) To seek agreement whereby the free non-Communist nations acting in concert will withdraw diplomatic recognition from all Moscow-controlled Communist governments.

(c) To reaffirm the friendship and solidarity of the people of the free world with the people and nations enslaved by communism.

(d) To develop a program for the rapid and complete termination of all commercial treaties and trade with Communist governments and the initiation of a program of trade among all non-Communist nations which will strengthen the security of the free world.

(e) To develop an overall, dynamic program for the defeat of the international Communist conspiracy.

2. That the President immediately establish the national military units authorized under section 101 (a) (1) of the Mutual Security Act of 1951, as amended. Such national military units will demonstrate by deed to the millions of people held captive within the Communist empire that we are firmly allied with them in their hopes and struggles to attain freedom and national independence. This includes large numbers of men conscripted into the Red army and other military establishments under Communist control.

3. That Congress enact H. R. 8000, known as the Political Asylum Act of 1954, to provide for the effective reestablishment of selected escapees in the free world.

4. That peaceful coexistence be clearly identified as a Communist myth. It should be rejected on the grounds that it is impossible for a civilization based on a belief in Almighty God, to coexist with an aggressive criminal conspiracy dedicated to the destruction of civilization and the enslavement of all mankind.

5. That an International Juridical Commission be established within the framework of the North Atlantic Treaty Organization so that Communist crimes perpetrated against humanity be fully recorded, and officially noted for prosecution.

6. That this report and the record of testimony be transmitted to the United States Ambassador to the United Nations with the request that they be made available to the delegates of the other member nations so that the world may see the incriminating evidence against the international conspirators who seek to destroy nations and individuals, religion and education, free labor, free enterprise, free speech, free press, and freedom itself.

I wish to point out that today the House passed the conference report on the mutual-security bill. It still contains the provision for national military units. That provision, as contained in the conference report, approved by the House this afternoon reads as follows:

SEC. 401. Special fund: Not to exceed $100 million of the funds available under this section may be expended for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslavakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia or the Communist-dominated or Communist-occupied areas of Germany and Austria, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States.

Without further delay this provision should be implemented. The free flags of Poland, Hungary, Czechoslovakia, and the other captive nations should be flying among the defense forces of the West.

If this generation tries to buy time by abandoning the principles of morality in seeking to coexist with evil, we will be preparing the great war for our children wherein our children will be pitted in mortal combat against the children behind the Iron Curtain who are today being taught by the evil genius of communism to be the fanatical fighters against civilization.

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

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I notice in the papers that George Kennan, the former diplomat and author of the morally bankrupt policy of containment, which he has been peddling in the United States and which our State Department unfortunately has swallowed to a large degree, is in Germany on a lecture tour. In my opinion, Kennan has been the foremost advocate of the Kremlin's cause in America. He apparently is in favor of Red colonialism. He has never offered one positive thought on how we should defend ourselves against Red aggression. On the other hand, he is the biggest apologist in America for the Empire of Moscow.

In my opinion, Kennan's policy is calculated to weaken the American will to resist, that is, to confuse the people and to make us easy victims of the Russian plot to colonize the world. I wonder if Kennan is not now attempting to neutralize the Germans in order that they will not stand up against the atheistic communism of Moscow. This is a matter worth investigating. I hope the appropriate agency of our Government does so immediately.

Allow me to read a few excerpts from Mr. Kennan's first book called American Diplomacy. I refer to page 53, and quote as follows:

I cannot resist the thought that if we were able to lay upon ourselves this sort of restraint and if, in addition, we were able to refrain from constant attempts at moral appraisal—if, in other words, instead of making ourselves slaves of the concepts of international law and morality, we would confine these concepts to the unobtrusive, almost feminine, function of the gentle civilizer of national self-interest in which they find their true value.

Now may I refer to page 95 and quote as follows from Kennan's book:

I see the most serious fault of our past policy formulation to lie in something that I might call the legalistic-moralistic approach to international problems.

And again, on page 100, I quote as follows:

These, then, are some of the theoretical deficiencies that appear to me to be inherent

in the legalistic approach to international affairs. But there is a greater deficiency still that I should like to mention before I close. That is the inevitable association of legalistic ideas with moralistic ones: the carrying over into the affairs of states of the concepts of right and wrong, the assumption that state behavior is a fit subject for moral judgment.

One more quote, on page 119:

In these circumstances it is clear that the main element of any United States policy toward the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russian expansive tendencies.

Following Kennan's formula has paralyzed American initiative. It has led to the enslavement of no less than 10 nations since World War II and can lead only to the ultimate loss of our own freedom and independence.

Does the gentleman not agree?

Mr. KERSTEN of Wisconsin. I certainly heartily agree with the gentleman. I think particularly significant are the quotations from George Kennan's book about containment and his advocacy that we adopt a kind of feminine or receptive policy with regard to Soviet expansion, that we abandon concepts of morality and law. If we abandon morality and law we should not be concerned, of course, about the crimes of the leaders of the Communist world; the crimes, the accounts of which members of the committee listened to during the course of our hearings, would mean nothing. This is one of the great faults of the present day in the free world, the failure to recognize that if we want to arrive at a position where the world may have a stable peace, such a peace can only be based on morality. If we abandon morality, if we abandon principle, if we abandon law, such as some of our liberal friends would have us do, we would then give the Kremlin a free hand to exterminate the good people behind the Iron Curtain, to proceed with their warlike plans, to educate their youth so that they will be fanatical fighters against the West, so that our children will be the ones who will have to face up against this thing in a few years when the all-out war that they are preparing will come.

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

Mr. KERSTEN of Wisconsin. I gladly yield to the gentleman from Indiana.

Mr. MADDEN. I might say that this committee, of which the gentleman from Wisconsin [Mr. KERSTEN] is chairman, and of which I have the honor of being a member, is the first duly authorized committee ever created by any government to hold hearings and take testimony of witnesses under oath, revealing the true facts about communism. We have uncovered the fog behind the Iron Curtain by several hundred witnesses who personally were victims of Soviet slavery.

We have read a great number of articles, stories, and books about Communist atrocities and brutalities but these statements were not recorded by witnesses who were under oath.

The theory of the Communist leaders that the end justifies the means is proven by our hearings. But the recorded sworn testimony of 120 witnesses, and 200 depositions taken by this committee, is the first official record of the true facts concerning the barbaric scourge of communism that today has encircled and placed in slavery about 800 million souls.

Our committee took the testimony of former leaders of captive countries, such as General Anders, General Bor-Komorowski of Poland, and the leaders of Lithuania, Latvia, Estonia, Slovakia, Hungary, and other nations that are under the iron heel of the Kremlin. These are witnesses who went through the torment and torture that the chairman of our committee is now describing.

I cannot in this short time bring out even a small part of the sordid details of the testimony. I believe the record this committee has made in regard to sworn testimony will go down in history's archives as the first true revelation to the world of the true meaning of communism and what it inflicts on its victims. I do hope that this Congress after our committee files its final report will print millions of copies of our report and the testimonial facts that we revealed. These reports should be printed in various languages, and sent to free countries that are today not as yet under the Communist yoke.

I refer particularly to some of the Latin American countries that are flirting with communism, such as Guatemala and others, because to my mind when any human being knows what communism really is and has been aprised of the real truth regarding the barbaric and criminal nature of communism, that man or woman can never be a Communist.

Last week I read that the American Bar Asociation had passed a resolution recommending that the true facts regarding communism be taught in our schools. Judging from the testimony that our committee has recorded, I believe the first textbook, if the American Bar Association's recommendations come to pass, should be a book taken from the testimony and the report of this committee. Then we should allow the students in the American schools to read the true, undenied, sworn testimony of several hundred witnesses who lived with and through Communist slavery. Any child or any student in grade school or high school that has read and studied the findings of this committee will never be a Communist.

Mr. KERSTEN of Wisconsin. I want to compliment the gentleman from Indiana on his great work on this committee. I recall his great work as chairman of the Katyn Forest Committee in which evidence was produced through that committee to prove convincingly and conclusively the crimes of the Communists against the people of Poland in the Katyn Forest massacre. I compliment the gentleman from Indiana particularly, too, for his bringing out in the hearings before our committee the facts pertaining to religious persecution and the persecution of people of all the captive nations.

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

Mr. KERSTEN of Wisconsin. I yield.

Mr. DODD. I compliment the chairman of our committee for the splendid statement that he has made on the floor of the House concerning our interim report, and also for the way in which he has presided over the sessions of our committee, both executive and public.

We have had a truly bipartisan committee and great credit is due our chairman for this situation.

We still have a lot of work to do, I am sure the chairman will agree. We have done a substantial amount of work which is really in the nature of education. I do not know why the American people and the free people of the world need education at this hour with respect to this issue. But my inability to understand does not change the fact.

There were plenty of people in the world who knew the true facts with respect to aggressive communism for many years, but they were never able to obtain an adequate hearing, either in our own country or abroad. That has given cause for the existence of our committee and its educational program.

We are writing a record so that those now free to make a choice may have some basis upon which to make that choice, and that those who come after us may learn, if they will, the true nature of this great curse which has afflicted mankind and thus make a better world for themselves. The extent of the ignorance or the perverseness, if you please, of which I speak hits us right in the face at this hour. Two outstanding political leaders of our friends, the British, are embarking on a trip to Moscow and Peking. I refer to Atlee and Bevan. I understand there are explanations that this is an economic mission of a sort and that they want to explore trade possibilities. But try, as I will, I find it impossible to understand how they can in good conscience, with what they must know, make this trip at this time. However good their intentions, the trip will hurt the cause of freedom. Can you imagine what an uproar would have been raised in 1938 in England had the leaders of the American Republican Party in this country announced that they were leaving for Berlin and Vienna at the invitation of the Nazis? And I believe that the expressions of outrage would have been justified. But we have taken it rather calmly. That is all to the good provided we learn a lesson from it and bear it in mind as we make our interim report. Because it points up, the situation in which we find ourselves—with the inability or unwillingness of some people to recognize the nature of this great evil which confronts us.

Therefore, we must continue our work and must try every hour of every day to make clear to the people what the world is up against. The best way, that we can do that is to tell the facts. In addition, as we recommend in this interim report, we want to preserve the testimony of those who know the facts. Many of our witnesses are getting along in years, and will not be with us very much longer. They are the only people who can really tell the world what happened and how the Communists operate once they get into a country. So in writing our record

we have also served this important purpose. Obtained under the authority of a congressional committee, I think this testimony will have great weight and value in the future. It should be referred to some kind of commission, which I hope will be established on an international basis where it can be preserved for future generations of the whole world.

In closing, Mr. Speaker, I again congratulate the chairman of the committee. I hope our report will receive wide attention and that it will be read by Members of this body particularly, and by the people in the world who still are in ignorance, and by those who still have a choice to make.

Mr. KERSTEN of Wisconsin. I thank the gentleman, and I want to compliment him for his great work on this committee. I recall the excellent way in which the gentleman from Connecticut brought out the facts regarding the diabolical methods of teaching the young in Communist schools.

We had a family, father, mother, and three children, in Munich before our committee and these boys were testifying about how they were taught by their teachers. The gentleman from Connecticut brought out the teaching methods used by the Communists in perverting the young.

I also have in mind the gentleman's experience in the Nuremberg trials which has stood him in such excellent stead during our hearings, because one of our recommendations is to record this testimony for prosecution before an international tribunal when these criminals who are presently enslaving half of the world should be brought to justice.

The gentleman from Connecticut is one of the greatest of fighters against communism in this country.

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

Mr. KERSTEN of Wisconsin. I yield.

Mr. BONIN. Mr. Speaker, I also wish to join my colleagues in an expression on the floor of this House concerning the testimony that this committee has received last year and this year on Communist aggression.

We have heard from many witnesses of the Communist demands; that the state is everything, the individual nothing; and that communism is the all-powerful state that plans, owns, confiscates, and controls every single productive effort of its people. It destroys the initiative and the independence of its citizens. It enslaves labor and step by step it wipes out all of the individual liberties. Communism is the extreme opposite of the philosophy which made these United States great.

Communism, as we have heard, believes that a small group of individuals shall predetermine how every other individual under communism shall live.

Communism does not believe that all men are created equal. It maintains that a few ruthless dictators can rule the rest of the citizens. It does not believe that every man has an inalienable right to pursue happiness in his own way. It maintains that only the state knows how to make man happy.

Communism brings about the death of the nations it seizes. We heard that from witnesses from almost every nation it has taken over since World War II. It is fatal to individual liberty, fatal to free enterprise, and fatal to good living standards, prosperity, and security.

We learned from eye witnesses that the people behind the Iron Curtain countries are no longer free from illegal arrest. They are no longer free to work where and at what they please.

Communist-dominated people cannot engage in business and own property. Freedom to work one's own farm as he wishes is gone. Freedom to spend the little one earns as he wishes under the Communist system is dead.

The freedom of labor unions is a sham and a mockery.

The Secret Police are everywhere in the Red utopia.

Concentration camps contain 15 million victims of Communist aggression.

Religion and educators are pawns of the state.

Treaties and agreements are mere scraps of paper to be broken at any time that suits their convenience.

I was very happy to be associated with the rest of the members of this committee in going into this subject matter of Communist aggression. I believe that there is a duty, and an obligation on the part of Congress to familiarize itself with all the facts as we presented them in this interim report. I believe that it will be enlightening, it will be shocking, that it will alert not only the Members of Congress but the people of the United States of the fearful atrocities and the regulations by which they may have to live in the future.

Mr. KERSTEN of Wisconsin. I want to thank the gentleman from Pennsylvania and to compliment him for his great contribution to the work of this committee when during the hearings he brought out the atrocities, and the Communist persecutions against the people of Poland, against the people of Ukraine, against the people of Lithuania, Latvia, Estonia, and all of these different national groups who are being destroyed today behind the Iron curtain. The gentleman is one of the leading and great fighters against communism and Communist aggression. The gentleman from Pennsylvania recognizes the Communist leaders for what they are—international gangsters and criminals and he made a great contribution in bringing these facts out before the committee and before the world.

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

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Minnesota.

Mr. JUDD. As I have sat here and listened to this very excellent report and comments of the Members who were on this Mission of Investigation of Communist Aggression, I have not been able to avoid recalling many, many months spent some 25 years ago in an area in China under the Chinese Communists and the frustration and the sense of helplessness that a person has when he comes back to comfortable, easy-going America and tries to get people to realize, having not seen these things, the nature of the cruel, merciless, Godless beast with which they are dealing. I sense in the remarks of the gentleman and his colleagues the same sense of helplessness in trying to make our people see what you have seen and to realize it before it is too late.

In a sense we Americans are victims of our own finest decencies. We have prided ourselves on our sportsmanship. It is not cricket even to think that another person is going to behave like a barbarous wild animal in the jungle. Our enemies take advantage of our finest virtues, if you wish, to get away with all sorts of things that fine, sensitive, idealistic, high-minded Americans will not let themselves believe.

I most of all commend the gentleman and the members of the committee for their determination to carry on, perhaps as voices in the wilderness, so that our people will not have to go through this before they realize they are dealing with something that is not a political party, it is not an agricultural or an economic reform movement; it is a genuinely demoniacal, satanic effort to enslave every human being in the world. May God bless you and our country as you go ahead to bring home to the people of our country the truth while there is still time for us to prevent these things happening to ourselves and to those peoples of the world who are still free.

Mr. KERSTEN of Wisconsin. I thank the gentleman for his excellent remarks and for his statement about the committee. I think every Member of this Congress knows that the gentleman from Minnesota has for many years been a prophet, with regard to communism, years ago a prophet, as to tragic events that are presently taking place in Asia. Had the leaders of our country at that time when the gentleman was speaking years ago heeded his warnings and advice with regard to Asia, we would not be in the situation we are in today.

I have also in mind the remarks of the gentleman from Connecticut with regard to some of the leaders of our free world going to China for the purpose of trade. Since the Communists have taken over in Asia within the past few years the evidence is very strong that the Moscow-controlled Red leaders in China already have wiped out from 15 to 20 million innocent people. As the gentleman from Connecticut has pointed out, some leaders of the free world apparently think they can make these murderers of the Chinese people decent. You cannot make confirmed criminals decent people by sitting around conference tables with them.

Mr. JUDD. Does not the gentleman agree that even if it were possible to carry on trade relations in any normal way that would be mutually beneficial to the participants in the trade, the psychological effect on the people behind the Iron Curtain, the despair in their hearts when they see the heads of great powerful nations coming and sitting down with people whose hands drip with the blood of millions of human

beings, does not the gentleman agree we are in a sense endangering that which is our strongest and most dependable ally in this whole struggle—the 800 million people behind the Iron Curtain?

Eight hundred million people behind the Iron Curtain know communism for what it is and silently resist as best they can. But they can have no real hope when the strong, free powers bow down and scrape before tyrants.

Mr. KERSTEN of Wisconsin. There is not the slightest doubt about that. The greatest allies that the free world could have in the struggle against communism today are the people who really know communism, people who live under it. The witnesses who appeared before our committee had a clear knowledge that the Communists are gangsters. They know that you cannot deal with them. I think one very important example of trading with Communists exposes the fallacy of trading with the Reds. This fallacy is shown in the trade between Italy and countries behind the Iron Curtain today which is completely handled by the Italian Communist Party to the financial benefit of the Italian Communist Party, enabling the Communists to remain in power in Italy because of this trade while we, on the other hand, are furnishing money to Italy to combat communism.

Mr. JUDD. A short time ago we passed a bill authorizing some $3 billion to help these countries build up, in order to resist such enslavement, to give them an opportunity to oppose the enslavers. America has to make a moral decision. Are we going to put our trust in the enslaved people of the world or in cynical deals with the oppressors? So far as I am concerned, we have to put our faith in the oppressed people and not in dealings with the tyrants.

Mr. DODD. Mr. Speaker, if the gentleman will yield further, I was moved by the words of the gentleman from Minnesota, Dr. JUDD, particularly with respect to this feeling of frustration that one gets in trying to make clear to the people this danger that confronts us. He has had great experience, and I understand his feeling.

I once had an experience of my own which has given me a sympathetic understanding.

In the proceedings at Nuremberg, I found it hard to believe that millions of people could be murdered. I was sick over what I learned. Then a strange psychological change come over me, if I may call it that. I found at a certain time that I was no longer as distressed or as upset about crime on a vast scale. To put it in another way, if I talk about 100 people losing their lives in a fire or if I talk about a train disaster or a shipwreck involving hundreds of lives you are able to grasp the tragedy. But if I speak of millions of murders and thousands of crimes your mind is not able fully to comprehend the enormity of the tragedy. This helps the criminals and makes more difficult the task of those who know the criminal facts. It seems as if the human mind refuses to accept the shock of mass crime. This is part of the frustration of which the gentleman from Minnesota so eloquently spoke a few minutes ago. I know what he means. That makes us want to break through that psychological barrier and that barrier of ignorance and of mental escapism.

Somehow it must be done. Our committee has made a contribution in this effort. With the help of God we will continue to do so.

Mr. KERSTEN of Wisconsin. I thank the gentleman.

I think one other thing might be pointed out here. We have heard a great deal of testimony from several witnesses, to the effect that before the Communists take over in a country, they have the people of that prospective victim-country listed and analyzed. Even the population of our own country is listed and analyzed by the Communists for the time when they hope to take over, and then there would be millions of people in the United States who would be their victims if they were ever to take over here. Then and then only, perhaps, will some people realize what it means to talk about millions; what it means to haul people away from cities, in boxcars holding 50 to 75 people each, 50 to 60 boxcars at a time. Then, when it could come close to us will people realize what it means. But with God's help and with the help of my splendid associates on this committee—and also men like the gentleman from Minnesota [Mr. JUDD] and others of this House—we will bring this message to the people of the United States before things come to the point where this will be a threat that is right around the corner from us.

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

Mr. KERSTEN of Wisconsin. I am glad to yield to the gentleman.

Mr. MADDEN. I might say in connection with the remarks of the gentleman from Minnesota, Dr. JUDD, and the gentleman from Connecticut [Mr. DODD], as to the magnitude of the mass murders committed by the Communist leaders. General Anders, who was one of the former leaders of Poland, testified before our committee in London. He stated that if we added together all the murders that were committed in the history of the world by all the tyrants—Nero, Genghis Khan, Attila, all the way down and including Hitler—if all these murders were added together, that Stalin and the present leaders of the Kremlin would still have killed and massacred in cold blood, 10 times more people than that total of all the tyrants in the history of the world. That is what the world is facing in this modern day, 1954.

The greatest contributions this committee has made is the terrific interest that was generated through the newspapers, radio, and television services by the hearings that we held in Europe. News went out daily to all free Europe revealing what our testimony uncovered. The Voice of America and Radio Free Europe carried into the countries behind the Iron Curtain true facts revealed at our hearings. That, in itself, to my mind, awakened the people not only of free Europe but the people throughout the world. This testimony revealed the terrific impact of this Communist scourge which is hovering over all free people.

Two and a half years ago, when Congress was considering the resolution for the Katyn Massacre Committee—all Members of this House—providing that they should go were not alerted to awful facts of Soviet tyranny. It required 1 day's debate for a decision and vote to allow the Katyn committee to go to London and Europe to hold hearings. The gentleman from Minnesota, Dr. JUDD, was one of the Members who helped our committee pass the resolution. We established for the first time that over 14,000 Polish leaders were killed by the Soviets in the early part of 1940.

That resolution passed only by six votes. After the testimony was recorded by that Katyn Massacre Committee, and the report was written, 150 Members of Congress wrote in to the committee commenting on the great work and the great job accomplished.

That was a forerunner, we might say, of the work of this committee which accomplished such great results. By reason of these committees, millions throughout the free world today know something about communism that they did not know, unfortunately, 10 or 12 years ago.

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

Mr. KERSTEN of Wisconsin. I yield to the gentleman.

Mr. FEIGHAN. The members of the committee are deserving of high praise for their intensive study and work. They worked diligently from early morning until late at night. The committee was in every sense of the word, bipartisan. Immeasurable credit is due our able chairman, the gentleman from Wisconsin [Mr. KERSTEN] who is indeed a spirited leader and a determined patriot who has devoted himself untiringly to the cause of the preservation of our free way of life. The interim report reflects the searching inquiry made by the committee. I wish to state that this interim report presents a positive program to avert a third world war and to bring peace not only to the entire free world but to all captive nations, to the people within the so-called satellite captive nations and also to the 15 non-Russian nations in the U. S. S. R., which were the first countries to suffer under Russian Communist aggression. This positive program will destroy Red colonialism, the Russian Communist criminal conspiracy, which has already enslaved the 28 once free and independent nations.

The chairman deserves the undying gratitude of every fighter for the cause of human freedom particularly because he first advocated and caused to be enacted into our law 3 years ago, provision for the establishment of national military units to be made up of escapees from communism to be attached to the forces of the North Atlantic Treaty Organization. The establishment of such units, in my opinion, will be one of the greatest blows, because of its disruptive force, to the military forces of the Red colonial empire. It will afford an opportunity for members of the armed

forces within the Red colonial empire to join the free forces of the world to fight for the establishment of freedom and liberty of their own native lands instead of fighting with machineguns at their backs, to preserve the Red colonial subjugation of their countries for whose freedom they would willingly fight. It is my fervent hope that President Eisenhower will immediately establish these national military units. It is my sincere hope that President Eisenhower and responsible administrative officials will carefully read the committee's report with particular reference to its findings and recommendations, and proceed at once to take all necessary steps to make effective the recommendations of the committee. I am very pleased that the chairman has explained so thoroughly the fact that acceptance of the Moscow Kremlin initiated policy of peaceful coexistence could lead only to war.

I should like to call attention of the Members of the House to paragraph (d) in the first recommendation of the committee. In my opinion, the biggest fraud in all history of mankind is that which has been carried out under the banners and slogans of communism. The Communists promise a workers paradise and what they have given to the world is an empire of slavery. The Communists promise an economy which would develop a "classless society." What they have actually created is a small elite class which controls 98 percent of the people and in which slave and forced labor camps are an essential part of their type of economy. Let me emphasize that the new elite class which has sprung up in the slave world dominated by the Communists, live a life of privilege, luxury, and splendor unequally in the history of the world.

Against this background, let us take a look at the question of trade between the free world and the empire of slavery controlled by the Communists. The first question we must ask ourselves is whether we, a Nation which stands firmly by the rights of free labor, indeed a Nation predicated and dependent upon the great strength that comes from free labor, can engage in a program of trade and commerce with a gang of international criminals who hold in their grip over 800 million people. My answer to that question is divided into two parts.

To begin with, if we allow ourselves to be drawn into a program of trade with the criminals who control the Communist world, just as surely as day follows night, we will pull down and eventually destroy the decent standard of living which we have fought so many years to win for the American worker.

The second is that any trade carried on with the criminals who control the Communist empire, contributes to their war plan which they will unleash against the United States just as soon as they feel they have a 50–50 chance of winning. Let me give you several examples of my point—if we were to sell some of our so-called nonstrategic materials such as our surplus wheat, butter, eggs, and other food products to the Communists, they would pay for these commodities with gold mined by the suffering slave laborers in Magadan and other slave labor camps. Also this would permit them to deploy people who would otherwise be employed on the farms, to the industrial centers to work in factories for the production of planes, tanks, guns, ammunition and other materials of war.

For these reasons, both of which are morally sound and in every sense compelling, I say that we must reject any idea that the fruits of free labor should be put into competition with the products of millions of helpless slaves. I completely reject any such possibility and am certain that those who are enslaved by the Communist criminals hope and pray that we will not fall victim to the economic trap laid by the Kremlin.

(By unanimous consent, at the request of Mr. FEIGHAN, all Members who spoke on the subject of the Select Committee on Communist Aggression were given permission to revise and extend their remarks.)

Mr. KERSTEN of Wisconsin. Mr. Speaker, before I close I want to say that the work on the committee of the gentleman from Ohio [Mr. FEIGHAN] was of tremendous importance in bringing out the destruction by the Communists of the national cultures, national characteristics, and national traditions of the several nations that the Iron Curtain now shuts off from the world. The national cultures and traditions of the people, music, art, education, learning, the manner of dress, the manner of speech, the language, and the differences among the different nations, are what make life interesting. The Soviets would make us all into one mold, the new Soviet man, the robot, the slave of further aggressions.

The knowledge of the gentleman from Ohio on this important subject was of inestimable value to our committee both in his examination of witnesses and in the preparation of our report. His insight into the subject of the national aspirations of the nations now enslaved by the Reds will make a real contribution, not only to American security, but to the liberation of Poland, Hungary, Ukraine, Slovakia, Lithuania, and the other captive nations. I commend the gentleman, his talent and courage in attacking the core of the Communist problem. I can understand why the Red leaders of the Kremlin have a justifiable fear of the gentleman from Ohio [Mr. FEIGHAN].

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield.

Mrs. ROGERS of Massachusetts. I would like to express my very great appreciation of the wonderfully fine report just given by the chairman and the other members of the committee. It is extremely valuable.

I believe some diplomats say that some of the persons fighting communism are attempting it in feminine ways. Is that not correct?

Mr. KERSTEN of Wisconsin. That is correct.

Mrs. ROGERS of Massachusetts. I should like to remind the House of the fight that the Honorable Clare Boothe Luce has made against communism. Many other women have made that fight, and have been hurt by this fight. Women know so well that their children are in the greatest possible danger if communism spreads to this country and other countries.

Mr. KERSTEN of Wisconsin. I think the remarks made by the gentleman from Ohio and myself referred to the remarks in the book by George Kennan, that our policy should be a kind of "feminine" policy. It seems to me that when a man adopts the characteristics of the opposite sex or when a woman adopts the characterstics of the opposite sex we lose our force. One of the great women leaders in our Congress today is the gentlewoman from Massachusetts. It is only when these things are turned around and when we do not do that which is natural and proper for us that we lose our force and effect.

I compliment the gentlewoman from Massachusetts for her remarks.

Mrs. ROGERS of Massachusetts. I think the women must be militant also, and I think they are.

May I also express my great appreciation of the courage of the members of this committee in what they have been doing. I know they were in great danger while they were in foreign countries, and I know they are also in great danger in this country. The committee deserves the greatest praise.

Mr. KERSTEN of Wisconsin. I thank the gentlewoman.

May I say finally that I am filing the interim report at this time.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HILLINGS] may extend his remarks at this point in the RECORD and include a bill he introduced.

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

There was no objection.

Mr. HILLINGS. Mr. Speaker, I wish to preface my remarks by paying tribute to the gentleman from Wisconsin [Mr. KERSTEN] for the splendid service he has rendered as chairman of the Select Committee on Communist Aggression. As a member of that committee, it has been a pleasure for me to work with him over the past few months.

I wish to emphasize one of the preliminary findings that the committee made in its interim report which it has issued today. Finding (8) states:

> Recent civilian and military escapees from behind the Iron Curtain testified that there would be many more important escapes to freedom if the Western World adopted more specific and dynamic programs of asylum. Such programs would be the most effective answer to the constant Communist propaganda that those who escaped are being cast aside after their usefulness is ended.

As a result of this finding the committee has recommended that Congress enact H. R. 8000, known as the Political Asylum Act of 1954.

As the author of H. R. 8000, I cannot overemphasize the importance of establishing an effective program of political asylum. As a result of the exhaustive

hearings our committee conducted in Chicago, New York, London, Munich, and Berlin, it is obvious that there are a large number of Communist government officials who would renounce communism and come over to our side if given proper encouragement. As I told this body on February 22 when I introduced the bill, there would be several salutary effects to be derived from granting political asylum to these people.

First. We would receive valuable information which is not available to us today.

Second. We would create chaos, confusion, and distrust in the inner councils of Communist governments.

Third. Persons who renounce communism and come to the West could form the nucleus of new governments to be established at such time as the Iron Curtain countries are liberated, in much the same manner as refugee governments we set up during World War II. These groups could be clearinghouses for resistance movements and could form underground lines of communication between the East and West.

My bill is not a refugee bill nor is it a bill to increase immigration quotas. It is legislation designed to promote the national security of the United States. In order to be eligible for admission to our country there must be a bona fide renunciation of communism and the escapee must be able to carry out his part of the bargain by supplying us with information. Naturally all eligible persons should be screened to prevent entry of persons who would be a menace to the internal security of the United States.

The following is the text of H. R. 8000, which I hope will be considered by the Congress as soon as possible:

Be it enacted, etc., That this act may be cited as the "Political Asylum Act of 1954."

DEFINITIONS

SEC. 2. (a) "Communist country" means the Union of Soviet Socialist Republics and any country declared, pursuant to this act, by the Secretary of State to be governed or dominated by the Union of Soviet Socialist Republics or any other branch or subdivision of the international Communist movement.

(b) "Communist government official" means any person who is an officer, employee, or member of the military, naval, or air forces, of any Communist country, or of the foreign service, or of the security or the intelligence organization of such country, or of any agency working for a Communist country as defined in section 2 (a) of this act.

SPECIAL NONIMMIGRANT VISAS

SEC. 3. Notwithstanding the provision of section 212 (a) (28) of the Immigration and Nationality Act (66 Stat. 184), a special nonimmigrant visa, may be issued to any alien Communist government official and his wife and his children, who—

(a) renounce his allegiance to the Communist country's government and to the international Communist conspiracy which he has been serving;

(b) departs from a Communist country and proceeds to a country in the free world, or being physically outside the border of a Communist country, refuses to return thereto;

(c) is determined, under procedures to be prescribed by the President, to possess information or other assets of special value to the United States in furtherance of its security program; and not to constitute a menace to the security of the United States of America; and

(d) agrees, actively to cooperate with the United States in programs to expose and to defeat the purposes of the international Communist conspiracy.

AUTHORITY TO TERMINATE VISAS

SEC. 4. Nonimmigrant visas issued pursuant to this act shall be terminated by the Secretary of State whenever the country of origin of the alien shall no longer be governed or dominated by the Communist conspiracy: *Provided*, That the personal safety of the alien would not thereby be placed in jeopardy. The Secretary of State is further authorized to revoke any such visa when the best interest of the United States so requires.

NUMBER OF VISAS

SEC. 5. Not more than 1,000 such visas shall be issued pursuant to this act.

REPORTS

SEC. 6. The President shall report to the Congress on the operation of the program established under this act on December 31 of each year.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this act.

LEGISLATIVE EMPLOYEES

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all but 1 minute of my time may be vacated and that I may have the time tomorrow following the legislative program of the day and the conclusion of special orders heretofore granted.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to speak at this time of my great appreciation for the courtesy and endless work that has been performed by all of the readers and stenographers and clerks and telephone boys and everybody connected with the Capitol during these long sessions of the Congress—totally and absolutely uncomplaining—I do not know what we would do without them. Out of courtesy to them, Mr. Speaker, I relinquish my time.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks was granted to:

Mr. YOUNG and to include extraneous matter.

Mr. KERSTEN of Wisconsin and to include extraneous matter.

Mr. SIEMINSKI.

Mr. MCCORMACK (at the request of Mr. EDMONDSON) and to include extraneous matter.

Mr. EDMONDSON and to include a letter and a newspaper article.

Mr. NEAL.

Mr. ELLSWORTH.

Mr. HOPE and to include additional matter.

Mr. WESTLAND.

Mr. OAKMAN.

Mr. SMITH of Wisconsin in two instances and to include additional matter.

Mr. WOLVERTON and to include additional matter.

Mr. DEANE.

Mr. RABAUT in two instances and to include additional matter.

Mr. CELLER in three instances.

Mr. SHELLEY.

Mr. MARTIN of Iowa and to include extraneous matter.

Mr. REES of Kansas and to include extraneous material.

Mr. HUNTER and to include extraneous matter.

Mr. BENDER in four instances and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CLARDY for an indefinite period on acount of official business.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9077. An act to amend section 405 of the District of Columbia Law Enforcement Act of 1953, to make available to the judges of such District the psychiatric and psychological services provided for in such section.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 53. An act for the relief of Lewis Roland Edwards;

S. 65. An act for the relief of Joseph Flury Paluy;

S. 120. An act for the relief of Gerasimos Giannatos;

S. 231. An act for the relief of Otmar Sprah;

S. 233. An act for the relief of Jeno Cseplo;

S. 354. An act for the relief of Inger Larsson;

S. 384. An act for the relief of Robert H. Webster;

S. 431. An act for the relief of Joseph Di Pasquale;

S. 447. An act for the relief of Vasiliki Tountas (nee Vasiliki Gerogion Karoumbali);

S. 670. An act for the relief of John Doyle Moclair;

S. 771. An act for the relief of Anni Wolf and her minor son;

S. 810. An act for the relief of Jan E. Tomczyki;

S. 914. An act for the relief of Mark Vainer;

S. 946. An act for the relief of Mona Lisbet Kofoed Niclaisen, Leif Martin Borglum Nicolaisen, and Ian Kofoed Nicolaisen;

S. 974. An act for the relief of certain Chinese children;

S. 992. An act for the relief of Apostolos Savvas Vassiliadis;

S. 997. An act for the relief of Chuan Hua Lowe and his wife;

S. 1158. An act for the relief of Stayka Petrovich (Stajka Petrovic);

S. 1165. An act for the relief of Paul E. Rocke;

S. 1212. An act for the relief of Alice Masaryk;

S. 1216. An act for the relief of Karl L. von Schlieder;

S. 1321. An act for the relief of Michajlo Dzieczko;

S. 1434. An act for the relief of William D. Baker and Don P. Frankhauser;

S. 1520. An act for the relief of Andre Styka;

S. 1600. An act for the relief of Esther Saporta;

S. 1609. An act for the relief of Mrs. Robert Lee Slaughter, nee Elisa Ortiz Orat;

S. 1615. An act for the relief of Lt. Col. George P. Price;

S. 1634. An act for the relief of Alton Bramer;

S. 1702. An act for the relief of Emilia Pavan;

S. 1757. An act for the relief of Clair F. Bowman;

S. 1795. An act for the relief of Fred and Bernice Ehlers;

S. 1798. An act for the relief of Charles Peroulas;

S. 1858. An act for the relief of Sister Antonella Marie Gutterres (Thereza Maria Gutterres);

S. 1883. An act for the relief of Dr. Takeo Takano;

S. 1889. An act for the relief of Margot Goldschmidt;

S. 1902. An act for the relief of Theresa Leventer;

S. 1925. An act for the relief of Lt. Col. Carl E. Welchner, United States Air Force;

S. 1940. An act for the relief of Michela Aurucci;

S. 2067. An act for the relief of Anthony Benito Estella, Natividad Estella, Ontonio Juan Estella, and Virginia Araceli Estella;

S. 2135. An act for the relief of Fernando A. Rubio, Jr.;

S. 2176. An act for the relief of Maly Braunstein and Aurelia Rappaport;

S. 2204. An act to provide that United States commissioners who are required to devote full time to the duties of the office may be allowed their necessary office expenses;

S. 2210. An act for the relief of Frank (Franz) Homolka, Olga Homolka (nee Mandel), Adolf Homolka, Helga Maria Homolka, and Frieda Homolka;

S. 2214. An act for the relief of Peter James Copses, Beatrice Copses, Victoria Copses, and James Peter Copses;

S. 2222. An act for the relief of Lucia Mezilgoglou;

S. 2240. An act for the relief of Mrs. Carl Dobratz;

S. 2257. An act for the relief of Luigi Cicchinelli;

S. 2287. An act for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer;

S. 2295. An act for the relief of Irma Mueller Koehler Cobban;

S. 2340. An act for the relief of Alphonsus Devlin.

S. 2363. An act for the relief of Doctor Mien Fa Tchou and his wife, Li Hoei Ming Tchou;

S. 2411. An act for the relief of Ruth Berndt;

S. 2448. An act for the relief of Frankrisek Vyborny;

S. 2455. An act for the relief of Mrs. S. Eugene Lamb;

S. 2469. An act for the relief of Francisco Vasquez-Dopazo (Frank Vasquez);

S. 2493. An act for the relief of Ingeborg Bogner Johnson;

S. 2504. An act for the relief of Elisa Albertina Cioccio Rigazzi or Elisa Cioccio;

S. 2510. An act for the relief of Paul Lewerenz and Margareta Ehrhard Lewerenz;

S. 2512. An act for the relief of Jeannette Kalker and Abraham Benjamin Kalker;

S. 2542. An act for the relief of Glicerio M. Ebuna;

S. 2594. An act for the relief of Paolino Berchielli, his wife Leda, and daughter Alba;

S. 2607. An act for the relief of Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte);

S. 2635. An act for the relief of Nadeem Tannous and Mrs. Jamile Tannous;

S. 2745. An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes;

S. 2746. An act to provide for the termination of Federal supervision over the property of certain tribes and bands of Indians located in western Oregon and the individual members thereof, and for other purposes;

S. 2823. An act for the relief of Joseph H. Hedmark, Jr.;

S. 3062. An act for the relief of the American Surety Company of New York and certain other surety companies;

S. 3126. An act for the relief of Waltraut Claasen;

S. 3306. An act for the relief of Kang Chay Won;

S. 3433. An act for the relief of Andreja Glusic; and

S. 3514. An act for the relief of Mrs. Oveida Mohrke and her son, Gerard.

BILLS PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee did on August 6, 1954, present to the President, for his approval, bills of the House of the following titles:

H. R. 2098. An act 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; and

H. R. 2763. An act to amend the Tariff Act of 1930, so as to modify the duty of the importation of wood dowels, and for other purposes.

ADJOURNMENT

Mr. BONIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 10, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1808. A letter from the Secretary of the Air Force, transmitting a draft of legislation entitled "A bill to further amend the act of June 3, 1916, and for other purposes"; to the Committee on Armed Services.

1809. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1810. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report to the effect that proceedings have been finally concluded with respect to the following claim: *The Choctaw Nation, Petitioner,* v. *The United States of America, Defendant,* Docket No. 55, pursuant to section 21 of the Indian Claims Commission Act of August 13, 1946 (60 Stat. 1055; 25 U. S. C. 70); to the Committee on Interior and Insular Affairs.

1811. A letter from the Acting Secretary of the Army, transmitting a report of claims paid by the Department of the Army for the fiscal year 1954, pursuant to section 2673 of the Federal Tort Claims Act, as amended and codified (28 U. S. C.); to the Committee on the Judiciary.

1812. A letter from the Acting Secretary of the Army, transmitting a report of claims settled under the Military Personnel Claims Act of 1945 by the Department of the Army for the fiscal year 1954, pursuant to section 1 (e) of Public Law 439, 82d Congress; to the Committee on the Judiciary.

1813. A letter from the executive assistant to 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.

1814. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 23, 1953, submitting a report, together with accompanying papers and illustrations, on preliminary examinations and surveys of, and review of report on, the Allegheny and Monongahela Rivers and tributaries, for navigation, flood control, and allied purposes, made pursuant to several congressional authorizations listed in the report (H. Doc. No. 491); to the Committee on Public Works and ordered to be printed, with three illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of August 5, 1954, the following bill was reported August 6, 1954:

Mr. CORBETT: Committee on House Administration. H. R. 7745. A bill to amend certain provisions of the act of August 2, 1939, commonly known as the Hatch Act, relating to employees of State or local agencies whose activities are financed in whole or in part by loans or grants from the United States; with amendment (Rept. No. 2638). 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 August 5, 1954, the following report was filed August 6, 1954:

Mr. COLE of New York: Committee of conference. H. R. 9757. A bill to amend the Atomic Energy Act of 1946, as amended, and for other purposes (Rept. No. 2639). Ordered to be printed.

[*Submitted August 9, 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. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 2644. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 2645. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. TOLLEFSON: Committee of Conference. S. 3546. An act to provide an im-

mediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense (Rept. No. 2647). Ordered to be printed.

Mr. COLE of Missouri: Committee on Post Office and Civil Service. H. R. 9586. A bill to amend the Civil Service Retirement Act; without amendment (Rept. No. 2648). Referred to the Committee of the Whole House on the State of the Union.

Mrs. HARDEN: Committee on Post Office and Civil Service. S. 3028. An act to require the Postmaster General to reimburse postmasters of discontinued post offices for equipment owned by the postmaster; without amendment (Rept. No. 2649). Referred to the Committee of the Whole House on the State of the Union.

Mr. KERSTEN of Wisconsin: Select Committee on Communist Aggression. Second interim report pursuant to House Resolution 346 and House Resolution 438, 83d Congress (Rept. No. 2650). Referred to the Committee of the Whole House on the State of the Union.

Mr. VELDE: Committee on Un-American Activities. H. R. 9838. A bill to amend the Subversive Activities Control Act of 1950 to provide for the determination of the identity of certain Communist-infiltrated organizations, and for other purposes; without amendment (Rept. No. 2651). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee of conference. 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. 2652). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. S. 154. An act for the relief of George Pantelas; without amendment (Rept. No. 2640). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 3085. An act for the relief of Mrs. Helen Stryk; with amendment (Rept. No. 2641). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8215. A bill for the relief of Regina Berg Vomberg; without amendment (Rept. No. 2642). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 5964. A bill for the relief of Sister Mary Berarda; with amendment (Rept. No. 2643). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 5844. A bill for the relief of George D. Hopper; without amendment (Rept. No. 2646). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRAZIER:

H. R. 10193. A bill to amend the Veterans' Preference Act of 1944 in order to give preference in promotions and transfers to preference eligibles under the provisions of such act; to the Committee on Post Office and Civil Service.

By Mr. JUDD:

H. R. 10194. A bill to amend subsection (a) of section 201 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. KEARNS:

H. R. 10195. A bill to provide for the regulation of the business of making loans of $600 or less in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MACHROWICZ:

H. R. 10196. A bill to amend the Fair Labor Standards Act of 1938 to establish a $1.25 minimum hourly wage, and for other purposes; to the Committee on Education and Labor.

By Mr. OAKMAN:

H. R. 10197. A bill to provide Federal funds on a matching basis for the elimination of railway highway crossings in urban areas; to the Committee on Public Works.

By Mr. REED of New York:

H. R. 10198. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts:

H. R. 10199. A bill to provide that certain enlisted men retired for disability shall be eligible for mustering-out pay; to the Committee on Veterans' Affairs.

By Mr. WILSON of Texas:

H. R. 10200. A bill proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

By Mr. BRAY:

H. R. 10201. A bill to amend the Social Security Act to provide that a woman who is entitled to old-age insurance benefits based on her own wages and self-employment income may in addition be entitled to wife's insurance benefits based on the wages and self-employment income of her husband; to the Committee on Ways and Means.

By Mr. BRAY:

H. R. 10202. A bill to amend the Social Security Act to provide that no deduction on account of outside earnings shall be made from the benefits of certain widows having dependent children in their care; to the Committee on Ways and Means.

By Mr. COLE of New York:

H. R. 10203. A bill to provide rewards for information concerning the illegal introduction into the United States, or the illegal manufacture or acquisition in the United States, of special nuclear material and atomic weapons; to the Joint Committee on Atomic Energy.

By Mr. DINGELL:

H. R. 10204. A bill to increase the width of certain locks to be constructed by the St. Lawrence Seaway Development Corporation in the St. Lawrence River; to the Committee on Public Works.

By Mr. O'HARA of Minnesota:

H. J. Res. 582. Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

By Mr. BATES:

H. Res. 701. Resolution to provide expenses for the select committee authorized by House Resolution 549; to the Committee on House Administration.

By Mr. KERSTEN of Wisconsin:

H. Res. 702. Resolution authorizing the printing of additional copies of the report on Communist aggression by the Soviet Union; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, memorializing the President and the Congress of the United States relative to an interstate civil defense compact entered into between the Commonwealth of Virginia and the State of Maryland, pursuant to the Federal Civil Defense Act of 1950, Public Law 920, 81st Congress; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States relative to House Joint Resolution No. 28, adopted by the Louisiana Legislature, 1954, deploring the attacks being made on the McCarran-Walter Immigration Act, and opposing all attempts being made to repeal Public Law 414, 82d Congress; to the Committee on the Judiciary.

Also, memorial of the Legislature of Guam memorializing the President and the Congress of the United States relative to Resolution No. 156, to require that the Defense Department and contractors working for the Federal Government employ United States citizens when available before importing alien labor; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause I of rule XXII, private bill and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 10205. A bill for the relief of Jose Antonio Firmino; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 10206. A bill for the relief of Robert Shen-yen Hou-ming Lieu; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 10207. A bill for the relief of Giuseppe Rosario DiStefano; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 10208. A bill for the relief of Ralph Chen; to the Committee on the Judiciary.

H. R. 10209. A bill for the relief of Kingway Hsi Ku Lowe; to the Committee on the Judiciary.

By Mr. YATES:

H. R. 10210. A bill for the relief of Mrs. Moli (Mali) Sobel; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and paper were laid on the Clerk's desk and referred as follows:

1135. By the SPEAKER: Petition of the commissioner, the port of Long Beach, Long Beach, Calif., relative to the Board of Harbor Commissioners of the City of Long Beach, expressing its vigorous support of the Submerged Lands Act, Public Law 31, 83d Congress; to the Committee on the Judiciary.

1136. Also, petition of Richard Bladel Mossman, Bettendorf, Iowa, requesting that action be taken on Petition No. 487, dated January 29, 1954, relating to a grievance involving his attainder case against the Government; to the Committee on the Judiciary.

1137. Also, petition of Cirilo Santos, Manila, Philippines, relative to requesting casualty recognition for deceased son S. Sgt. Federico M. Santos, Filipino-American troops (guerrilla unit); to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Drought Disaster Is Worse Than Many Realize

EXTENSION OF REMARKS

OF

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. EDMONDSON. Mr. Speaker, many people in Washington—and I am afraid that some of them are located in places of great responsibility—do not appear to realize the terrible gravity and threatening national implications of our drought disaster.

The third year of drought in our section of the country has placed in motion forces which are today breaking and lowering the already sagging cattle market in the Southwest and Middle West. We are seeing the forced liquidation of good herds and the actual financial ruin of many families. Pastures are gone, feed and hay supplies limited in our section, and many farms and entire towns are without water.

The final result could be national catastrophe.

I do not base this statement on any third-hand reports, but on a personal survey which I have just made, in the air and on the ground, of the farm country in Okahoma's Second Congressional District. Agriculture officials and farmers in the counties of this district agree that it is an emergency without parallel in our State—and I know from observation that the condition extends to many other congressional districts in our land.

Today, on the basis of the survey I have just made, I sent a letter of report and recommendation to the President, the Secretary of Agriculture, and the chairman of the House Committee on Agriculture. The same letter was sent to all three, and a copy of this letter follows, for the information and reference of other Members, as well as for the RECORD.

For the sake of many good citizens in Oklahoma, as well as for the well-being of the Nation, I trust and pray that our Government will respond to its grave responsibility:

AUGUST 9, 1954.

The PRESIDENT,

The White House, Washington, D. C.

DEAR MR. PRESIDENT: This is a drought report and program recommendation, based on a 2-day survey, in the air and on the ground, which I have just completed in northeastern Oklahoma. On August 6, I flew over most of the counties in the Second District of Oklahoma, in order to observe conditions of pastures, crops, and other vegetation. On August 7, I flew over the balance of these 16 counties and also traveled by automobile through 4 of the 5 counties in my district which were not included in the Department of Agriculture's recent designation for the drought-relief program. The five counties not included are Haskell, Sequoyah, McIntosh, Okmulgee, and Osage Counties.

In the course of the inspection on the ground on Saturday, August 7, I talked to Department of Agriculture officials at Sallisaw, Stigler, Eufaula, and Okmulgee, and also met briefly with farmer committees in each of those communities.

The conclusions and recommendations which follow are based upon current first-hand observation and information, and in my opinion should merit careful consideration at this time.

THE ACTUAL DROUGHT CONDITION

During my lifetime in Oklahoma, I have never witnessed more critical crop and pasture conditions throughout northeastern Oklahoma, and definitely including the five counties not heretofore designated as a drought area. Pastureland has been seared brown throughout this area, corn and cotton are burned up, and farmers and cattlemen are already feeding meager hay supplies which ordinarily are not needed before late fall. Two weeks ago, the State drought committee at Stillwater reported that 90 percent of pasture in Sequoyah County was poor or short, 95 percent of pasture in Haskell County was poor or short, 48 percent of pasture in McIntosh County was poor or short, 80 percent of Okmulgee County was poor or short, and 85 percent of Osage County pasture was poor or short. Figures for supplies of roughage, hay, and feed grain were equally disturbing at that time, and I can assure you that these figures are much more alarming at this time than they were 2 weeks ago. For example, Okmulgee County officials agreed Saturday that there is now 100 percent of pasture that is poor or short, and the feed-grain supply has deteriorated to the point that only 20 percent of the farms in the county now have an adequate or good supply, as compared with a reported figure of 60 percent adequate or good supply 2 weeks ago.

There has been a similar deterioration of conditions in Sequoyah, Haskell, McIntosh, and Osage Counties. It is the result of 3 years without adequate rainfall, and I can report to you that livestock marketings are accelerating and literally thousands of farmers are facing financial ruin in this area. You will be interested to know that within the past 2 weeks, there took place at Muskogee the largest movement of cattle in a single day in a period of 22 years. Prices of $0.05 a pound on canners and cutters, and even less in some of the small markets, have been very, very common, and the livestock prices quoted in the larger cities of the Midwest do not accurately reflect the prices actually being received by the producers of cattle in this distress area.

It is imperative, I honestly and sincerely believe, that the actual drought-relief program be extended at once to the counties which I have above listed and mentioned, and I believe it is also imperative that certain improvements and enlargements of the drought-relief program which has been announced be instituted at the earliest possible date. According to all information which I have read, the new program will be less generous than that of last year in many important particulars, and this in the face of the fact that this is the third year of drought for many farmers, and their need for substantial assistance from their Government is more serious this year than last.

SPECIFIC RECOMMENDATIONS FOR DROUGHT PROGRAM IMPROVEMENT

The following recommendations are based upon the suggestions and pleas of drought-stricken farmers, and are offered with the sincere hope that they may be of constructive help in this emergency.

1. The program should include protein feeds. If cottonseed cake is not available, soybeans or alfalfa or other proteins should be made available in the feed program in the disaster areas. The feeds which have been announced as available (corn, grain sorghums, oats, and barley) will not meet the farmers' need to carry them through this disaster period.

2. ASC regulations should be amended to make wheat, oats, and barley available at once as ASC practice for winter pasture and cover. This seed should be made available free if possible in the disaster area, or at least at a reduced cost. As an ASC practice, it would be accompanied by necessary fertilizers, and of course, it would be subject to the provision that the crop would not be harvested for grain but would be used to meet actual pasturing and feed needs on the farm itself. Such an amendment of ASC regulations, which would not require new law, should take place immediately, since the time for planting of winter pasture will soon be upon us in our section. Of course, this practice would require some rain this fall, but it is our best hope to secure a feed supply through the farmers' own efforts in this disaster area.

3. A Government buying program to strengthen the sagging cattle prices is a third "must." Some favor a purchasing program "on the hoof" while others believe that a meat-purchasing program such as the Government has followed in the past, but with provision in the program to insure that at least $0.12 a pound be paid to the cattle producer, would be preferable. Such a guaranty to the producer could be effected by requiring a certificate from the packer attesting to the fact that the producer had been paid at least $0.12 a pound for his animal. Farmers in my area are convinced that a purchasing program which does not guarantee some minimum price to the producer will do little good in this disaster period.

In conclusion, let me say that I cannot overemphasize the urgency of this problem. In our section entire towns are now without water, fine herds are being sacrificed, and farmers are cutting down trees in some areas to provide some feed. We are on the brink of a tragic disaster of major proportions, and I cannot urge too strongly the need for an immediate, generous drought-relief program throughout the entire stricken area.

Respectfully yours,

ED EDMONDSON,
Member of Congress.

[From the Tulsa (Okla.) Tribune of August 5, 1954]

DROUGHT, HEAT HOLD KEY TO FARM ECONOMY—PASTURE LANDS ARE SEARED—CORN, COTTON DROOP

(By Robert H. Johnson, Jr.)

Farmers and ranchers are glum and dispirited in the vast drought country where corn and cotton droop and cattle graze on brown pastures.

"Unless we assist in every possible way," says Agriculture Commissioner John White, of Texas, "thousands of our rual people will have to abandon the land."

White speaks for only one State. But drought still rules all the Great Plains, in spite of recent rains and Federal aid already granted to six States.

Good rains in sunburned sections of the South and East have been more helpful—but not enough to save most crops.

The number of States eligible for Federal aid reached six this week when Oklahoma and Missouri were added to Colorado, Wyoming, New Mexico, and Texas.

Six more States—Alabama, Arkansas, Kansas, Kentucky, Georgia, and Tennessee—have asked to be included.

Still, as of today, the situation appears slightly better than it was 10 days ago, when nothing but heat soaked the country from Georgia to Wyoming and Canada to Mexico

Since then, spotted rains have raised dabs of green in some of the driest States—Texas, Colorado, New Mexico, Kansas, and Oklahoma.

Even in the South, where the drought isn't as old and tough as in the Plains States, the rains of the past week weren't enough. For example, Kentucky received an average of 1.24 inches, the most in any week since April. The rain helped tobacco, but most other crops were too far gone to be saved.

Timely rains also were reported in Pennsylvania, Indiana, Illinois, and Minnesota. But in these States, too, the word was the same. More rain needed, and even that wouldn't revive some fields.

The Government's emergency program is aimed at helping livestock men hang onto their foundation herds. The Government has agreed to pay half the cost of shipping hay into the Federal disaster areas. The Agriculture Department also will pay a subsidy of 60 cents per hundred pounds for corn, oats, barley, and grain sorghums. The subsidy will go to the dealers, and ranchers can then buy these grains at cutrate prices.

But this program will leave feed prices somewhat higher than they were last summer under a more liberal Federal emergency program. For example, you could buy a bushel of corn last year for $1. Now it will cost something under $1.50.

Farm spokesmen in some States believe more territory should have been included in the disaster program.

In Missouri, President Eisenhower declared 76 counties eligible for relief. Fred Heinkel, president of the Missouri Farmers Association, said he thought all of the State's 114 countries should have been included.

New Mexico ranchers have complained that the feed program is slow in getting started.

All of Oaklahoma, except for a few scattered spots, is dry. Experts said there is little difference between the 26 counties approved for Federal aid and the other 51. The recent rains gave cotton and peanuts a chance to make a fair crop but were too late to do much good, if any, for pastures and feed crops.

In Colorado, Rancher Melvin Carlson, of Johnstown, said "the Government should have some sort of program to keep cattle on the range, or a flooded market will result."

Winter ranges in southeastern Wyoming already are nearly grazed off.

J. E. Burleson, Farmers' Home Administration supervisor for Blanco, Mason, and Llano Counties in the central Texas hill country, said: "Twenty-two people have come into my office since Monday inquiring about the hay program. Only two of them submitted applications for hay after reading the requirements. Most of them are disappointed in the limited extent of the program."

Bipartisan Support in Our Foreign Policy

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. McCORMACK. Mr. Speaker, we read and hear a great deal about the necessity of bipartisan support in our foreign policy, and I thoroughly agree with the importance and necessity of bipartisan support. But the leadership in the first instance for bipartisan support must come from President Eisenhower, and that leadership must be given in a more important manner—by action more than by words.

In a crisis such as confronts the world today, the best evidence of sincere, sound, and effective bipartisan action is in the appointments made to important positions, appointments based on ability rather than political affiliation.

During the administrations of the late President Franklin D. Roosevelt and former President Harry S. Truman, the bipartisan policy was established by them in fact as well as in name.

I include in my extension of remarks a list of some of the able Americans who are or were prominent Republicans appointed by the late President Franklin D. Roosevelt and former President Harry S. Truman to important positions in relation to foreign affairs and national defense. I also include the names of persons appointed by President Eisenhower who have had a Democratic background in the past, and one of whom, Hon. Martin P. Durkin, former Secretary of Labor, is the only one, so far as I know, who supported Governor Adlai Stevenson in 1952.

While I recognize the right of President Eisenhower to make any appointments he desires, and with no reflection upon any of the individuals named, they are not considered as Democratic appointments in connection with establishing a bipartisan policy in the field of foreign affairs or of national defense.

The matter referred to follows:

SOME REPUBLICANS APPOINTED TO TOP POSITIONS IN THE FEDERAL GOVERNMENT DURING DEMOCRATIC ADMINISTRATIONS, 1940–52, WITH SPECIAL REFERENCE TO FOREIGN AFFAIRS AND NATIONAL DEFENSE

(NOTE.—No attempt has been made to list the Republican members of independent boards, bureaus, and commissions in the Federal Government. In most of these agencies, the board or commission operates under a statutory provision limiting the number of members of any one political party who may serve at a given time. For the same reason, we have not listed members of the U. S. Advisory Commissions on Educational Exchange and on Information or of the Public Advisory Board established under the Foreign Assistance Act of 1948.)

Austin, Warren R. (late United States Senator): United States representative to the United Nations, 1947–52.

Ching, Cyrus S.: Director, Federal Mediation and Conciliation Service, 1947–52; chairman, Wage Stabilization Board, 1950–51; member, National Defense Mediation Board, 1941; member, National War Labor Board, 1942–43.

Compton, Wilson M.: Administrator, United States International Information Administration, Department of State, 1952–53; Chairman, Psychological Operations Coordinating Board, 1952–53; with Office of Production Management, 1941; Office of Scientific Research and Development, 1943–45; United States Education Mission to Japan, 1946; American Commission to U. N. Conference on Conservation and Utilization of Natural Resources, 1949; United States representative to U. N. General Assembly (4th); member, Review Board, Atomic Energy Commission, Hanford, 1950; member, policy planning staff, 1951; NRA, 1933–34.

Coolidge, Charles A.: Assistant Secretary of Defense, 1951–53; with Department of State, 1951.

COOPER, JOHN SHERMAN (now United States Senator): United States representative to U. N. General Assembly, 1949; alternate delegate, 1950, 1951; adviser to Secretary of State, 1950.

Draper, William H., Jr.: Under Secretary of the Army, 1947–49; United States special representative, Europe, 1952–53; with Control Council for Germany, 1945–46.

Dulles, John Foster: Member, United States delegation to San Francisco Conference on World Organization, 1945; United States representative, General Assembly of the United Nations, 1946, 1947, 1948, 1950; adviser to Secretary of State, 1945, 1947, 1949; consultant to Secretary of State, 1950; special representative of President to negotiate peace treaty with Japan, 1951–52.

Eccles, Marriner S.:[1] Governor, Federal Reserve Board, 1934–36; member, Board of Governors, Federal Reserve System, 1936–51 (Chairman, 1936–48); member, Board of Economic Stabilization, 1942–46; Advisory Board, Export-Import Bank, 1945–48.

Eisenhower, Milton S. (brother of President Eisenhower): Director of Information, Department of Agriculture, 1928–40; Assistant to Secretary of Agriculture, 1926–28; Land Use Coordinator, 1937–42; Director, War Relocation Authority, 1942; Associate Director, Office of War Information, 1942–43; executive board, UNESCO, 1946; delegate to UNESCO Conferences, 1946–49.

Foster, William C.: Deputy Secretary of Defense, 1951–53; Undersecretary of Commerce, 1946–48; deputy United States special representative, ECA in Europe, 1948–49; Deputy Administrator, ECA, 1949–50; Administrator, 1950–51.

Gifford, Walter S.: Ambassador to Great Britain, 1950–52; member, War Resources Board, 1939; Board of War Communications, 1941–47.

Griffith, Paul H.: Assistant Secretary of Defense, 1949; special assistant to Secretary of Defense, 1949; member, National Selective Service Appeal Board, served on military and diplomatic missions, Selective Service, War Manpower Commission, Office of War Mobilization and Reconversion during tour of duty, World War II.

Griswold, Dwight P.: Chief of American Mission for Aid to Greece, 1947–48.

Hargrave, Thomas J.: Chairman, Munitions Board, 1947–48.

Hershey, Maj. Gen. Lewis B.: Director of Selective Service, 1941 to date; Deputy Director, 1940–41.

Hill, Arthur M.: Chairman, National Security Resources Board, 1947–48; special assistant to Secretary of the Navy, 1942–45.

Hoffman, Paul G.: Administrator, Economic Cooperation Administration, 1948–50.

Johnston, Eric A.: Administrator, Economic Stabilization Agency, 1951; member, Economic Stabilization Board, Economic Development Committee, War Manpower Committee, War Mobilization and Reconversion Committee, 1943; member, Defense Mobilization Board, 1951; member, Public Advisory Board, Foreign Assistance, 1949.

Knox, Frank: Secretary of the Navy, 1940–44.

Lovett, Robert A.: Secretary of Defense, 1951–53; special assistant to Secretary of War, 1940–41; Assistant Secretary of War for Air, 1941–45; Under Secretary of State, 1947–49; Deputy Secretary of Defense, 1950–51.

McCloy, John J.: Assistant Secretary of War, 1941–45; consultant to Secretary of War,

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[1] Listed as Republican in Who's Who in America until 1936–37, since then no political affiliation given. Candidate for Republican nomination to United States Senate from Utah in 1950.

1940; president, World Bank, 1947; High Commissioner for Germany, 1949–53.

McNeil, Wilfred J.: Assistant Secretary of Defense and Comptroller, 1949–54; Fiscal Director, Navy Department, 1944–47; Special Assistant to Secretary of Defense, 1947–49.

Mead, George H.: Chairman, Industrial Advisory Board, NRA, 1934–43; Business Advisory Council, Commerce Department, 1933–45, 1947–49; member, National Defense Mediation Board, War Labor Board, Price Control Board.

Patterson, Robert P.: Secretary of War, 1945–47; Assistant Secretary of War, 1940; Under Secretary of War, 1940–45.

Perkins, George W.: Assistant Secretary of State, European Affairs, 1949–53; ECA, Paris, 1948–49.

Petersen, Howard C.:[2] Assistant Secretary of War, 1945–47; assistant to Secretary and Under Secretary of War, 1945; Chief, United States delegation to London, Conference on Japanese Trade Relations, 1948.

Rabi, Isidor I.: United States representative, UNESCO, 1950; Chairman, General Advisory Committee, Atomic Energy Commission; consultant, Research and Development Board, since 1946.

Reed, Philip D.: Chief, United States Mission for Economic Affairs, London, 1943–45; Deputy Chief, 1942–43; Office of Production Management, 1941; War Production Board, 1942, member, various advisory committees.

Rockefeller, Nelson A.: Assistant Secretary of State, 1944–45; Coordinator of Inter-American Affairs, 1940–44; Chairman, International Development Advisory Board (point 4), 1950–51.

Salomon, Irving: Delegate to UNESCO Conference, Paris, 1951.

Southard, Frank A., Jr.: United States Executive Director, International Monetary Fund, 1949; with Treasury Department, 1941–42, 1947–48; Federal Reserve System, 1948–49.

Stassen, Harold E. (former Governor): United States representative to San Francisco Conference on United Nations, 1945.

Stimson, Henry L.: Secretary of War, 1940–45.

Tobias, Channing H.: United States representative to U. N. General Assembly, 1951–52; member, President's Committee on Civil Rights, 1946.

Valentine, Alan: Administrator, Economic Stabilization Agency, 1950–51; Chief, Netherlands Mission, ECA, 1948–49.

Wadsworth, James J. (late United States Senator and United States Representative): Deputy Administrator, Federal Civil Defense Administration, 1951; War Assets Administration, 1945–46; Special Assistant to Administrator, ECA, 1948; Acting Director, Office of Civil Defense, 1950; Deputy United States Representative to United Nations, 1953.

Williams, C. Dickerman: General Counsel, Department of Commerce, 1951– .

Wilson, Charles Edward: Director, Office of Defense Mobilization, 1950–52; Executive Vice Chairman, War Production Board, 1942–44.

Winant, John G. (late Governor): Ambassador to Great Britain, 1941–46; Director, International Labor Office, 1939–41; Chairman, Social Security Board, 1935–37.

(Sources: Who's Who in America, 1940 to date; Current Biography, 1940 to date; Biography Index, 1946 to date; National Cyclopedia of American Biography, 1946– (current G and H); Who's Who in United States Politics; Who Knows—and What; Who Was Who in America, 1897–1950; American Men in Government; other biographical indexes; selected periodical and newspaper articles. Names were secured from United States Senate executive clerk, civilian nominations, 1940–52, annual.)

[2] Political affiliation not stated in published sources, but served as officer of national committee, Eisenhower for President, 1952.

SOME DEMOCRATS APPOINTED TO TOP POSITIONS IN THE FEDERAL GOVERNMENT DURING THE REPUBLICAN ADMINISTRATION, 1953–54

(NOTE.—No attempt has been made to list the Democratic members of independent boards, bureaus, and commissions in the Federal Government. In most of these agencies, the board or commission operates under a statutory provision limiting the number of members of any one political party who may serve at a given time. For the same reason, I have not listed members of the United States Advisory Commissions on Educational Exchange and on Information or of the public advisory board established under the Foreign Assistance Act of 1948.)

Anderson, Robert B.: Deputy Secretary of Defense, 1954; Secretary of the Navy, 1953–54.

Byrnes, James F. (Governor of South Carolina): United States representative to U. N. General Assembly, 1953.

Durkin, Martin P., former Secretary of Labor, 1953.

Hobby, Oveta Culp:[3] Secretary of Health, Education, and Welfare, 1953– .

Robertson, Walter S.: Assistant Secretary of State for Far Eastern Affairs, 1953– ; service as economic adviser, minister, etc., in China and Far East, 1945–48.

(Sources: Who's Who in America, 1940 to date; Current Biography, 1940 to date; Biography Index, 1946 to date; National Cyclopedia of American Biography, 1946– (current G and H); Who's Who in United States Politics; Who Knows—and What; Who Was Who in America, 1897–1950; American Men in Government; other biographical indexes; selected periodical and newspaper articles.)

[3] Political affiliation not listed in 1954 Who's Who in America, but generally considered a Democrat prior to 1952 elections.

The Administration of Public Lands

EXTENSION OF REMARKS

OF

HON. CLIFTON (CLIFF) YOUNG

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. YOUNG. Mr. Speaker, it has been apparent for a number of years that many changes are necessary in the numerous statutes governing the administration of public lands in this country. There are now nearly 5,000 laws on the statute books governing the administration and disposition of a vast area of public domain.

Not since the days of President Theodore Roosevelt has there been any comprehensive attempt to study and make a systematic improvement of this legislation. Even the officials of the Department of the Interior have difficulty interpreting and administering this maze of complicated and sometimes conflicting legislation.

I am pleased to report that in an effort to improve this legislative jungle I introduced at this session a bill to establish a commission to study our public land laws and make recommendations for improvement. Unfortunately, as is the case with so many worthwhile bills, Congress was not able to provide for its enactment this session and the limitations of time make it unlikely that anything will be done in this field prior to adjournment. I am hopeful that this groundwork which has thus been laid will result in such a commission being established when Congress next convenes, to carry on with this important mission.

In the meantime, a clearer understanding of existing laws will do much to answer the questions which many of our citizens have regarding their legal rights in matters of great concern to them. In the southern part of the State which I have the honor to represent, there has been a great deal of activity in the public land field. Many uncertainties have arisen which need clarification. A series of questions and answers has been prepared which I am hopeful will clarify some of these uncertainties until legislative and administrative improvements can be made. These questions and answers follow:

1. What is a small-tract lease?

A small-tract lease is a lease issued by the Bureau of Land Management under the Small Tract Act for 5 acres or less of public land for use as a home, recreation, or business site. Leases issued by the Bureau may be a lease only or may contain an option to purchase upon proper improvement of the land.

2. How do I obtain a small-tract lease?

A person must make application to the proper land office. Such application must indicate the legal description of the land desired. The Land Office Manager will issue a lease if the land applied for has been classified for small tracts and has not previously been filed on.

3. Where can I find out what areas are open for small-tract leases in southern Nevada?

Information regarding areas open for small-tract leases in southern Nevada may be obtained from the land office at Reno. That office also has copies of the necessary forms and instructions. The Bureau has established a temporary office in Las Vegas to assist the public in making proper application for small tracts. Any public land may be applied for under the Small Tract Act but issuance of a lease will depend upon whether the land is classified and open for small tracts. Most of the land in the immediate vicinity of the Las Vegas-Henderson area has been classified for small tracts but because of conflicts with other types of applications, not all of the classified land is open for leasing now.

4. Can I get this information by writing a letter to the land and survey office in Reno, Nev.?

The land office at Reno can give the information as to what lands have been classified and opened for small tracts. However, the small staff at Reno is now swamped with work. Furthermore, it is not the best practice to try to secure the information through the mail because the status of the lands changes daily. The land office might indicate to an applicant that a tract was open to application as of a particular time. However, it is possible for someone else to walk in and file on it even before such person received his reply. Therefore, the best practice for an applicant is to search the land office records and make application for land which he knows is available.

5. Where do I apply for a small-tract lease in Nevada? Is there a special form?

Small-tract applications must be filed in the land office at Reno. There is a special form for making application, Form 4–776.

6. Must I file my application in person?

The application may be filed in person, by mail, or by friend or agent.

7. Is there an office in southern Nevada where I may file a small tract application?

There is a temporary office in southern Nevada at Las Vegas to assist the public in making proper applications. However, the application must be filed in the land office so that it may be properly recorded as to time and date and posted on the land office tract books. Priority of rights is based on the time the application is accepted at Reno.

8. What does it cost to file an application?

There is a filing fee of $10 which is not returnable. In addition, the applicant must pay $15 which is either returned if no lease is issued or applied against the rental.

9. Are preferences given to any class of applicants?

For applications filed on areas not under consideration for classification, preference for each tract is given to the first applicant. For areas already classified, veterans of World War II and of the Korean conflict are given preference under the Veterans' Preference Act.

10. What determines priority between applicants of the same class?

Depending on the circumstances, priority is determined either by a drawing or by the principle of first come, first served. Drawings are usually required when lands are first opened.

11. What steps are then taken by the Government in considering applications? How long does this take?

This question must be answered in two parts: (a) Under nonclassified areas, and (b) under classified areas.

(a) Applications filed on nonclassified areas are recorded and held in abeyance until such time as the area is examined and classified. If the area is classified as unsuitable for small-tract development, the applications are rejected. If the area is classified as suitable for small tract development, then the applications are allowed. Sometimes there are conflicting applications from other persons which must be settled before leases can be issued. The time that this takes is variable. In the Las Vegas area where there are many thousands of applications, it has taken from 6 months to a year to process the applications considering that the Land Office must first classify the land and settle all the conflicts.

(b) In classified areas, the problem is one of accepting the application, checking the status of the land, and issuing the lease. Normally, this takes but a short time but again in the case of the Reno land office this has been delayed by the many thousands of filings and the backlog of work due to the over 4,000 oil and gas leases suddenly presented to the office and yet to be issued.

12. Is it proper to secure a small tract lease by using the services of a private company or person?

It is proper to secure a small tract lease by using the services of a private company or person but it is not necessary and in no way accelerates action on the application. The Government, however, is not responsible for any representations such people may make.

13. Would such a company or person have access to information not available to me?

Land records are open to the public and are equally accessible to everyone.

14. Must I personally inspect the land sought in my small-tract lease?

An applicant should not only personally inspect the land but must make a statement on the application form whether or not he has done so. Many persons have applied for land without actually seeing it and later found that it did not meet their needs or desires. The Bureau accepts an application as signed by the applicant as evidence that he has inspected the tract. The requirements of the regulations are stated on the application, Form 4-776.

15. For how many years does a small tract lease continue?

A small-tract lease with leasing provisions only continues for 5 years with an option of renewal. A small-tract lease with option to purchase continues for 3 years unless the person sooner constructs the necessary improvements. Ordinarily, leases contain an option to purchase. When improvements have been constructed, application may be made for patent prior to the remaining years of the lease.

16. If my lease expires, can I have it renewed? What if someone applies for the same tract before I make application for renewal?

If the lease with option to purchase expires, it is not renewable except under certain strict conditions excusing nonperformance. Other leases are renewable if the lessee lives up to the terms of the lease. Failure to apply on time may lead to the loss of all rights. Applications for renewal must be filed at least 60 days before expiration of the lease.

17. Must I make improvements on my small tract area before being allowed to buy it?

Under the present regulations, improvements are required on the small tract before patent can issue. However, in some instances and in some areas, including the Las Vegas area, the Secretary of the Interior has waived the regulations requiring improvements and the applicant may apply for direct purchase. In some instances, under direct purchase, the Bureau has reappraised the land resulting in a higher appraisal. In this case, the applicant is being given the option of proceeding under the lease purchase arrangement or purchase direct under the new appraisal.

18. What will be the sale price of the land if sold by the Government to me?

The sale price of the land will be the appraised price as stated in the original lease unless the situation as described in question 17 holds. Prices, of course, vary with the value of the land.

19. Are there any other ways of getting public land from the Government?

There are many ways of getting public land from the Government and the laws are too numerous to detail here. However, the principal laws are the general homestead laws and the public sale law. The homestead laws apply to lands which must be developed for agriculture.

20. What happens if there is a conflict between my small tract application and an attempt to secure land by another means such as through homesteading or a mining claim?

This question brings up a current situation existing in the Las Vegas area in regard to conflicts between the small tracts and the mining laws. There is no conflict between small tracts and homesteading once the land is classified for small tracts. Land leased for small tracts is not subject to subsequent mining locations. However, mining locations filed prior to the leasing of the land for small tracts may be valid. Prior to classification for small tracts, the Bureau examines the land to see if there are any evidences on the ground as to mining locations. If there are prospecting holes, mining locations, stakes, or other evidence indicating possible valid claims, we will not classify the land for small tracts. The Bureau has not, as a matter of procedure, searched the county records to determine if mining locations may have been recorded. The applicant, as a matter of protection, should search the county records to see if there is a recorded mining location on the land he seeks. This, of course, in most instances, has not been done and many applicants had no knowledge that this is a protection that they should seek. As a result of the situation now developing in the Las Vegas area, the Bureau will take additional action on applications now pending for lease to search county records to determine if there are recorded mining locations. If there are, the Bureau will inform the applicant that he may accept the lease subject to this possible location. The Bureau may go further, all of which will take considerable time, to search the records and attempt to determine by inspection, publication, and hearings, the validity of the mining claim. The Bureau is taking the necessary steps to determine as rapidly as possible the validity of mining claims on small tract leases in the Las Vegas area.

Once the lease has been issued and the lessee finds that a prior location not formerly worked is now being prosecuted by the locator, the Bureau of Land Management may attempt to determine the validity of the mining claim. If the mining claim is in fact a valid one, it must proceed and take precedence under the mining laws over the small tract. If the mining claim is in fact invalid then the Bureau will proceed to void it as provided by the laws and regulations.

21. What constitutes a valid mining claim?

A mining claim is valid against the United States if the claimant has discovered valuable minerals in sufficient quantities and quality to justify a prudent man to mine and remove them for sale.

22. How can I determine whether there is a valid mining claim or other type of prior claim on a portion of the public domain?

An individual may not be able to determine whether a mining claim is valid as against his interest in the land. That is a responsibility of the Department of the Interior. However, an individual can search the county records to determine whether a mining location has been filed on the land he seeks.

23. Can a valid mining claim be canceled?

The chances are that a valid mining claim cannot be canceled. A great deal hinges on the definition of a valid claim.

24. Can an invalid mining claim be canceled?

An invalid mining claim may be canceled by Government adverse proceedings as provided by the regulations. Private individuals may institute such proceedings by filing charges against the claim.

25. Is there anything being done to check the validity of claims in southern Nevada?

The Bureau of Land Management is now proceeding through its area administrator at Salt Lake City to assist in every way to check the validity of mining claims in the Las Vegas area where there are conflicts with small tract applications. The Bureau will be in a position in the next few days to announce the steps that have been taken looking toward an immediate solution to the small tract mining location conflict now existing in the Las Vegas area.

26. What steps are being taken to speed up the procedure of processing small tract applications in Nevada?

The Bureau is adding additional personnel to the Reno office to process the oil and gas leases now pending so that it may proceed with the processing of small tract applications. In addition, a large land exchange which is in conflict with more than 3,000 small tract applications is now on appeal to the Secretary. The Secretary's Office has indicated that it will give this appeal a high priority. After the Secretary's decision, the Bureau will be in a position to process these applications, whether favorable or unfavorable to the applicants, depending upon the decision of the Secretary. If the permanent help now being added to the Reno land office does not overcome the backlog, additional temporary personnel will be assigned from other land offices.

Deepening the Delaware River Channel a National Economic and Defense Project

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. WOLVERTON. Mr. Speaker, it is difficult to understand the opposition to providing a 40-foot channel in the Delaware River. The Delaware River is a highway of commerce for 120 miles. There is no area in the United States that has had, and, is now having, such an unprecedented development of industrial activity. Along its shores on either side of the river, in the States of Pennsylvania, New Jersey, and Delaware are located some of the most outstanding industries in all the world. Names that have made America known the world around.

On the New Jersey side of the river are such well known industries as the Du Pont plants at Deepwater and other locations along the river; Atlantic City Electric Power Co., that supplies all of south Jersey with electrical current; Socony-Vacuum Co.; Texas Co.; New York Shipbuilding Co.; Public Service coke plant; Campbell Soup Co.; RCA Victor plant; Cities Service Co.; Kieckhefer Container Co.; and many other great industries, and others being completed. On the Delaware and Pennsylvania side of the river are industries of such number and variety that it is impossible to mention them all by name, reaching from the lower Delaware River all the way to Trenton, N. J., including such important activities as the Philadelphia Navy Yard and Fairless Steel Co., at Bristol, Pa. Philadelphia, Chester, Wilmington and the surrounding areas, including Camden, Trenton, and other communities on the New Jersey side of the river, and the surrounding areas, constitute the Delaware River Valley, the most outstanding section of our Nation. Great piers, warehouses, and terminal facilities for ocean steamers are in great abundance.

All of this development is the result of the activities of public and private enterprises that have appreciated the advantages of this great highway of commerce, and, still they come. The last few years have seen tremendous development. It is without a doubt the most promising, as to future development, of any section of our entire country.

It is simply unbelievable that anyone should fail to see the importance, and, the justification, of deepening the river channel to accommodate this vast and rapidly increasing volume of trade that now moves up and down the river, and, will do so in even greater volume if given the opportunity. All that is needed at this time is Federal recognition and favorable action to enable the deepening of the channel to proceed.

The authorization of this program to deepen the Delaware River Channel is justified from every standpoint of consideration. First, over the years the Federal Government has wisely supported vast and costly public-works projects in other areas of the United States. A large part, in fact a very large part, of the cost has been borne by taxpayers in New Jersey, Pennsylvania, Delaware, and other Eastern States. Second, also our taxpayers and consumers have paid a big share of the wheat, corn, butter, and other subsidies which have greatly benefited the dairy and farm States of the Midwest. I mention this only from the standpoint of showing that we cannot base our actions for and against on purely sectional grounds. Thus, we must consider this proposed Delaware River improvement from the national standpoint, and not merely on a sectional basis. This is a vital economic and defense project that has wide national significance. We cannot rightly ignore the national advantages of a deep channel in this great and important river valley.

We must recognize that Federal support for the deepening of the Delaware River channel would provide facilities that will prove beneficial to many and important segments of our economy—steel, petroleum, chemicals and other basic industries in which the Nation has a vital interest would also benefit. Any attempt to fasten the cost, or, any part of the cost, on any one industry or any number of the industries would be unfair, unjustified and in total disregard of our past national policy in this respect. If such a policy is to be adopted, then we can expect a general curtailment of all river and harbor development. It would be unwise to adopt such a policy and unfair, when it is considered that other private interests have not been so charged in the past.

There has been a suspicion that some of the opposition that has developed is the result of fear that the deepening of the Delaware River channel would make it easier for iron ore to be brought into the Delaware River area, and, thereby prove harmful to the economic interests of the Midwest in the Mesabi Range, which has been a prime source of iron ore for the Nation in the past.

According to mining authorities, World War II used 340 million tons of the highest quality reserves out of the Mesabi mines. Several years ago, the President of Republic Steel declared that "no more wars were ever going to be fought off Superior's natural ores." Unfortunately, how true this will be.

The Venezuelan ore discovery and the mines in Labrador have completely reversed the gloomy prospects which faced our Nation at the end of World War II. Without these new sources of supply so necessary in times of peace, as well as in any war emergency that might come upon us, our situation could readily have been one of despair. However, instead of facing a disastrous depletion, we can now look forward to a new and even bigger era of steel. The deeper channel will aid the Nation in obtaining these valuable new additions to our physical resources.

I earnestly hope that Members of both Houses of Congress will consider the national economic and defense benefits of the Delaware River project and give it speedy and unequivocal support.

Railroad Grade Crossings

EXTENSION OF REMARKS

OF

HON. CHARLES G. OAKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. OAKMAN. Mr. Speaker, since President Eisenhower projected his grand plan for highway improvement, I have been working with road officials at all levels—Federal, State and local—in an effort to help develop a feasible line of attack on one of our most serious highway bottlenecks and danger points—railroad grade crossings.

I have discussed this matter with Public Roads Commissioner F. V. du Pont, with our Michigan Highway Commissioner, Mr. Charles M. Ziegler, and with Mayor Albert E. Cobo and other Detroit officials. I am encouraged to proceed with a concrete proposal I have developed which I believe eventually would reduce grade crossing accidents and fatalities almost to the vanishing point. Consequently, I am today introducing a bill to implement this proposal, and I hope it may receive very serious consideration in connection with the tangible plans now being drafted to carry out the President's proposed $50 billion 10-year highway program.

Dangers from grade crossings have been clearly recognized almost since the inception of the automobile and, although some progress has been made, we thus far have taken only half-hearted methods to combat these dangers. This has been due, not to any lack of foresight or planning on the part of highway officials, but to a lack of funds to provide an adequate program of grade crossing elimination. Now, for the first time, we have a real opportunity to take effective remedial action.

Under programs laid down by Congress and currently being carried out by the Bureau of Roads, important viaduct work is underway on the interstate and primary road systems. On these 2 systems the Bureau is authorized to meet up to 100 percent of the cost of grade-crossing elimination, with the railroads returning up to 10 percent of the cost where they benefit directly from a separation project. This program, however, makes no provision for grade crossings on other highways. My bill deals with this gap in the existing crossing elimination program.

Briefly, my bill would make available to any urban area, as defined in the Federal-Aid Highway Act of 1944, Federal-aid matching funds for the elimination of railroad-highway grade crossings. This bill would authorize the appropriation of Federal funds for this purpose in the amount of $175 million annually, this sum to be matched on the basis of 40 percent by State and local funds to 60 percent Federal money, thus providing a base allocation in excess of $290 million a year. Priority should be given to those crossings which are the most hazardous and cause the most traffic delay. However, each State could make its own traffic origin and destina-

tion studies to determine which projects should be given top preference. Federal funds are now available to assist in the necessary surveys. Traffic density, too, would naturally be a major criterion. The Bureau of Public Roads now provides for elimination of grade crossings on the national system of interstate highways and on the primary system where railroads are double tracked or where there are 6 or more trains daily on 1 track. It will provide, I believe, the incentive and the tools with which to round out a comprehensive program in order to accomplish this important phase of highway betterment and safety program.

Latest available figures show the country has 227,291 grade crossings, of which 8,248 are the most critical. While the cost of grade-crossing eliminations varies widely from case to case, I am advised the average cost would run in the neighborhood of $400,000. With a $290 million plus annual program, we could eliminate about 725 crossings a year, or about 7,250 in the 10-year program of highway improvement envisioned by President Eisenhower, or the program could be accelerated anywhere along the line.

Mr. Speaker, I am concerned primarily with saving the lives being lost each year at grade crossings and with preventing the accidents which leave thousands maimed and injured. In 1953 traffic deaths at grade crossings numbered 1,419 and nonfatal injuries totalled 3,600. I was surprised to learn, from the National Safety Council, that 4 out of every 10 grade crossing accidents occurred at crossings protected by gates, lights, bells, watchmen, or a combination of these. This can only mean that the best protection methods we have been able to devise are ineffectual in providing a safe crossing of highways and railroads. Furthermore, 6 out of every 10 accidents involved trains that were traveling at less than 30 miles an hour or were not moving, while about half of the motor vehicles were traveling at 30 miles an hour or less. It is apparent, therefore, that the grade crossing itself represents a danger which we are unable to combat successfully either through protective devices or controlled speed.

I am certain we can all agree, Mr. Speaker, that one preventable death or injury is one too many and if the President's grand highway plan eventually results only in reducing these deaths and accidents virtually to zero it will have been amply justified.

While they are by far the most important aspect of the problem, the deaths and injuries at grade crossings are not the only justification for a bold approach to the problem of desperately needed viaduct construction. There are important safety factors involved in grade crossings quite apart from the actual collision of motor vehicles and trains. Ambulances, fire engines, police cars, and public utility repair equipment all can be, and often are, held up for vital minutes at grade crossings—minutes which can mean the difference between life and death or the difference between minor and major personal injury and property damage.

Furthermore, in the event of an atomic attack, grade crossings could choke to a standstill the flow of traffic through and from our cities, making the evacuation problem even more critical and perhaps costing untold lives.

These, Mr. Speaker, are some of the fundamentals of the grade-crossing problem. Meshed with them is the indeterminate but enormous economic waste of grade crossings. This is not only the waste of motor fuel at crossing delays but the loss of countless thousands of man-hours as well. The latter loss is not confined to those who sit impatiently in cars, trucks, buses, and streetcars, stopped at crossings but extends also to the time involved in slowing trains at crossings, with consequent slow delivery of passengers and materials (handled by the railroads).

Additionally, Mr. Speaker, there is still another economic factor to be considered—that of giving employment to our people. The grade-crossing program would be countrywide. It would put both skilled and unskilled labor to work in many places where unemployment is, or could be, a problem. It would create a demand for steel, electrical equipment, concrete, and many other materials. It would be an invigorating breeze to our Nation's economy. Best of all, this would be no leaf-raking, made-work proposition. The labor, the materials, the time, and the money poured into this program would funnel out in safety and economic benefits to our people for centuries to come.

Aside from its national implications, this program would represent sound Federal assistance on a partnership basis in my own city of Detroit. Detroit has 63 critical crossings which stand as a menace to our people, a barrier to the free flow of both rail and highway transportation. This is true in some degree in every city and every State in the Union.

In conclusion, Mr. Speaker, I would like to remind the Members that as President Eisenhower pointed out, it is estimated our population may reach 200 million by 1970. With a nationwide system of modern and adequate highways available within the next decade, it is not unrealistic to estimate that we may have a total automobile registration by 1970 of 80 to 90 million cars and trucks on our American highways. With these challenges before us, Mr. Speaker, I feel that this proposed legislation, together with all of the other major aspects of the President's "grand plan" for our highways, we will have profits in lives saved, time saved, reduced transportation costs, along with a greater and more abundant economy plus an improved system of national defense. If we fail to heed the warnings of our great President and continue to take an ostrich-like attitude about the ever-increasing problems of our public highways, I shudder to think of the price we may pay for our failure to take positive action now. However, as America has always done in times of great emergency the Representatives of this Republic, I feel certain, will face and squarely meet the requirements of this atomic age in which we live.

Drought Program

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. HOPE. Mr. Speaker, on July 16 the Committee on Agriculture adopted a resolution with respect to the drought situation and the programs of the Department of Agriculture in connection therewith. This resolution reads as follows:

Within the past several days there has come to the attention of the committee an increasing number of reports of serious drought conditions in many parts of the United States. It is the committee's information that conditions have already reached the point in some parts of the country where production of crops is being seriously threatened and the ability of livestock producers to maintain their flocks and herds is being impaired.

In view of this situation the committee urges that the Secretary of Agriculture use to the fullest extent the authority and funds available to him for combating or alleviating the results of the drought as soon as conditions in the various affected areas warrant action on the part of the Federal Government.

The committee respectfully suggests, in view of the fact that Congress will soon adjourn, that the Secretary review the authority and the funds now available to him for meeting drought and other emergency conditions in the agriculture of the Nation and report to the committee at the earliest possible moment any additional authority or funds which he believes he may require in order to meet as effectively as possible any need which may arise for action on the part of the Federal Government.

Following the adoption of the resolution and on the same day five members of the committee presented the resolution to Under Secretary Morse in the absence of Secretary Benson. The group had a very satisfactory conference with Mr. Morse with respect to the program which was then in the making.

I am now in receipt of a letter from the Secretary of Agriculture written in response to the resolution in which the Secretary states he believes that the Department has adequate authority and sufficient funds for the purpose of extending drought relief between the present time and until the next session of Congress.

Under leave to extend my remarks, I include the letter of Secretary Benson herewith:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., August 6, 1954.

Hon. CLIFFORD R. HOPE,
Chairman, House Agricultural Committee, House of Representatives.

DEAR CONGRESSMAN HOPE: In response to the resolution of July 16 of your committee regarding the ability of this Department to extend relief in drought designated areas, we believe that we have adequate authority and sufficient funds for this purpose until the next session of Congress. The situation may be summarized as follows:

Public Law 38, 81st Congress, approved April 6, 1949, abolished the Regional Agricultural Credit Corporation of Washington and transferred its assets to the Secretary

of Agriculture. The assets so transferred constitute a revolving fund from which emergency loans for periods consistent with the borrowers' ability to repay are made at 3 percent interest to farmers and stockmen suffering production disasters when the Secretary determines that the area or region involved has suffered a production disaster and finds that agricultural credit is not readily available from other sources (11 U. S. C. 1148). Loans are also made at 5 percent interest to bona fide fur farmers where necessary to protect the Government's interest in existing loans outstanding (62 Stat. 1183).

Public Law 115, 83d Congress, amended Public Law 38 to authorize additional loan assistance to farmers and stockmen as follows: (1) Economic disaster loans—loans at 3 percent interest may be made in any disaster area declared by the President under Public Law 875 (42 U. S. C. 1855), if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met temporarily by regularly established lending institutions, including the regular lending programs of the Farmers' Home Administration. (2) Special livestock loans—For a period of 2 years subsequent to July 14, 1953, loans may be made at 5 percent interest to established livestock producers who are temporarily unable to secure credit from recognized lenders and who have a reasonable chance of working out their difficulties with supplementary financing.

According to our latest estimates, approximately $110 million will be available in the disaster loan revolving fund for the fiscal year 1955, as follows:

Unobligated balance, June 30, 1954	$44,081,741
Anticipated collection, fiscal year 1955	66,000,000
Total anticipated available, fiscal year 1955	110,081,741

Current estimates reflect anticipated loan requirements of approximately $72 million, as follows:

Production emergency	$32,000,000
Economic emergency	15,000,000
Special livestock	25,000,000
Total	72,000,000

Thus it appears that funds available are ample to most anticipated needs at this time.

EMERGENCY ASSISTANCE IN FURNISHING FEED AND HAY

In addition to the loan funds noted above, there is a balance of $15,257,747 available in the disaster loan revolving fund for emergency assistance in furnishing feed, including hay, pursuant to section 2d of Public Law 38, as amended by Public Law 115, 83d Congress. Section 2d was implemented by the appropriation of $40 million made in Public Law 175, 83d Congress, as amended by Public Law 357, 83d Congress, which increased to $50 million the amount which could be used for the feed program, including hay.

Since it is contemplated that the handling and transportation costs incurred in making Commodity Credit Corporation stocks of feed available for use in the drought emergency program will be borne this year by CCC under the authority of section 301 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), it will not longer be necessary to charge such costs to the disaster loan revolving fund. However, there are certain other costs (beyond the cost of the commodities to the Corporation, handling and transportation) in connection with the drought emergency program which Commodity Credit Corporation is not authorized to bear and which will have to be charged to the disaster loan revolving fund. Such costs include, for example, the administrative expense of State and county committees in connection with the operation of the feed program. Except for these costs, the balance of $15 million will need to be used only in connection with the hay program. The hay program is administered by the States under cooperative agreements with the Federal Government. Generally speaking, 50 percent of the cost of transporting hay to basic herds in the disaster area is paid for by the Federal Government. Since less than $5 million has been required in the hay program so far, it appears there are sufficient funds for this purpose.

EMERGENCY GRAIN PROGRAM

A program under which CCC stocks of feed would be made available for use in the drought emergency program is being developed under the authority of section 301 of Public Law 480, 83d Congress. Under this statute, the CCC is authorized, on such terms and conditions as the Secretary may deem in the public interest, to make commodities available from its stocks for use in relieving distress in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress. We believe that this statute provides adequate authority for making feed available to meet the drought emergency.

WIND EROSION CONTROL MEASURES

The $15 million authorized by the Congress for wind erosion control measures has been allocated among 6 States to the extent of $13,280,000. The unallocated balance will be administered in keeping with the established policies of the Agricultural Conservation Program Service to take care of future demands during the period authorized by the legislation.

BEEF PURCHASE PROGRAM

The necessary preliminary steps have been taken so that if a beef purchase program becomes necessary, it can be put into effect immediately. Such a program would be carried out under the authority of section 32 of Public Law 320, 74th Congress.

Our conclusion that adequate funds, including funds for the beef purchase program, are available for extending relief in drought areas is based upon the drought situation as it presently appears. There could, of course, be drastic changes in the drought situation which would affect our conclusion.

Sincerely yours,

E. T. BENSON,
Secretary.

Trout Labeling

EXTENSION OF REMARKS

OF

HON. WILL E. NEAL

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. NEAL. Mr. Speaker, S. 2033, would appear to propose limiting the importation of trout, but seems to be making the approach through the back door by placing the responsibility for its administration on the food dispenser rather than on the Tariff Commission, where it legally belongs.

Certainly, I am in sympathy with any trade or tariff agreement that serves to protect American industry against harmful competition from foreign sources. Perhaps this bill can be made to accomplish this purpose. However, the Tariff Commission has the authority to control fish imports through their customs officials at a relatively small number of ports of entry, where the objection could be met rather simply and with little cost.

On the other hand, to impose this duty on the operators of eating places throughout the land, not only will require additional enforcement personnel at great cost but will tend to eliminate trout from the menus of many eating places. It seems to me to be unfair to compel restaurants to become law enforcement agencies. This is the duty of the United States enforcement officials.

If the object is to limit imports and to prevent deceptive labeling, the duty should rest squarely on the shoulders of the Tariff Commission in its interpretations of the Trade Agreements Act.

Farmer Is Being Shortchanged Again

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. SMITH of Wisconsin. Mr. Speaker, the American farmer is still being shortchanged. He is almost at the bottom rung of the economic ladder. It is a known fact today that the prices he receives for the food and fiber that he produces are lower than they were more than 10 years ago.

This is an incredible situation, Mr. Speaker, yet it is recognized that the farmer is paying 50 percent or more for the things that he buys to put his farm into production. Unless we come to grips with this situation the farmer will eventually be liquidated. When farm purchasing power decreases our whole economic system is threatened.

Is it reasonable, Mr. Speaker, to ask for some explanation for the difference between the cost of the bottle of milk that I buy and what my dairy farmer pays for it? The average price for a quart of milk is 22 cents, yet the farmer receives only 7 or 8 cents for that same quart of milk. Why this great discrepancy between the producer—the farmer—and myself, the consumer? I have never seen or heard a real answer to that question. It has been established, however, that the farmer gets on all food commodities about 43 cents of the consumer's dollar. It is much less than that for the dairy farmer.

Mr. Speaker, I am talking about the biggest business in this country—that is the food business. Is it not therefore the No. 1 domestic problem? I think it is.

In this connection I refer to a recent article by Mr. Louis Bromfield, farmer as well as an excellent writer, in which he points out that the total investment in land, livestock, machinery, and buildings by the American farmer is larger

than the total investment in all of industry in this country. Further he says that 50 percent upward of the citizenry derives, directly or indirectly, its employment, income, wages, and purchasing power from an agricultural base. Agriculture is indeed the Nation's biggest business and food is its principal product.

Mr. Speaker, in Wisconsin, my beloved State, the dairy farm is the biggest business and I am very proud of it. The men and women who own and operate those dairy farms are hardworking, honest, conscientious, God-fearing people, who work from sunup and past sundown to complete their daily chores, aided by their sons and daughters.

My interest, therefore, Mr. Speaker, is chiefly in the welfare of my Wisconsin dairy farmers. A valuable report just issued by the House Committee on Agriculture is most illuminating on the subject of the price of milk and dairy products.

It points out that the farm price of milk and butterfat and the retail price of dairy products reached a peak in 1962. However, since that time farm prices have dropped 20 points while retail prices have dropped only 9 points. The report further points out that farm prices for milk and butterfat in June of this year—1954—were 10 percent below their 1947–49 average, while retail prices in dairy products were 3 percent higher than in the earlier period.

In my own congressional district, where considerable of the fluid milk goes into the Chicago market, my farmers have received 8 cents a quart, while farmers who supply milk for the New York City market received 12 cents a quart in June 1954 for fluid use which cost urban housewives 25 cents a quart to their doors. Again I ask the same question, What is the cause for this considerable spread between producer and consumer?

Mr. Speaker, perhaps the answer to this question is partially answered by this same report, which points out that every dollar spent by the American housewife for domestically produced goods 56 cents now goes for processing, marketing, and transportation charges. The farmer receives 44 cents, and out of this 44 cents about 30 cents goes to purchasing of tractors, trucks, plows, gasoline, fertilizer, and other supplies required by modern farming.

On that basis, Mr. Speaker, the farmer and his family have about 14 cents out of each consumer dollar spent for domestically produced food for their work and investment. The farmer's share, according to the latest figures, the consumer's dollar has dropped in recent years and months as farm prices have declined, while retail food prices have remained at 1952 peak levels.

This is the problem, it seems to me, that needs considerable study and attention by this Congress and those that are to follow. There is no good reason under the sun why the American farmer, and especially the dairy farmer who works so hard for what he gets in return, should be on the lowest rung of our economic ladder. Obviously the farmer is being shortchanged.

H. R. 9245: "No Tickee, No Shirtee"

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. SIEMINSKI. Mr. Speaker, during debate this afternoon on H. R. 9245, a bill to raise the pay of postal employees temporarily by 7 percent, some novel and interesting approaches on the problem of pay adjustments were made.

Those who opposed the measure appear to have based their opposition on the ground that a rate increase must accompany a pay increase. This resembles "no tickee, no shirtee" and assumes that the Post Office is now operating at maximum efficiency. It appears to overlook the admission of the bill itself, that the Post Office is not operating at maximum efficiency because the measure calls for a study to reclassify postal personnel. If maximum efficiency existed in the Post Office, there would appear to be no need for the reclassification of postal personnel.

Again, those who oppose the measure express concern that it would add to the deficit of the Post Office Department. They admit a deficit exists. Yet they do not champion, nor have they championed exclusively in the House, a pay-as-you-go rate bill for corporations or commercial users of the mails.

It would be interesting to see lobbying of a nature not yet seen in Washington, corporate lobbying that would buttonhole Members of Congress to sign a discharge petition calling on commercial users of the mails to pay their way. Postmaster General Summerfield tried the direct approach when he first came to Washington but was promptly slapped down by a congressional committee which heard with disfavor his recommendation for a pay-as-you-go postal rate scale. I wonder why the opponents of this 7 percent pay adjustment have dodged the stand-on-your-own-feet approach on the postal deficit, except for today, when they used it so conveniently as a club with which to slap a man down who seeks a pay adjustment? Would the opponents of the 7 percent pay adjustment speak so disdainfully of it if the issue involved putting corporations in step with fair rates? Why suddenly the cry "No tickee, no shirtee," "no rate increase, no pay increase"?

In American business, it seems to me, that top management is the one that must meet successfully the challenge, "increase my profits, else no dividends, bonus, stock, or pension grants." Employees, below top management, know only that the job they hold should meet all reasonable living standards and obligations, should be able to pay what it costs to live sensibly. Successful management is ever on its toes to keep employee needs reasonably satisfied; as it does customer needs. The problem is not easy.

In Government it seems to me that top management, which means the Cabinet and the Congress, must meet successfully the challenge "increase my pay to keep me in the game." Government employees, like business employees, are not responsible for top policy, fiscal policy, or management of overall operations. They have every right to expect the Cabinet and the Congress, like top-flight business management, to keep ahead of the needs of life. The problem is not easy.

It is more honest of the Congress and the Cabinet and the President to say, as the Congress said this afternoon in effect, "7 percent increase granted, even though temporarily, until October 1955"; by which time the Post Office Department should be operating at top efficiency, and by which time rate-increase requests should have been presented for action, as should any further adjustment of pay. The two issues are separate and distinct.

Does the Interstate Commerce Commission decide on employee pay for private industry? The Commission decides on ratemaking.

Ratemaking is a major Federal problem, as is wage payment. Each merits separate handling.

I trust we have heard the last of a bill to companion wage increase with rate increase. The corporations would always win, even though they rode high, wide, and mighty on the taxpayer's postal dollar.

More Repercussions of Rigid Price Controls

EXTENSION OF REMARKS

OF

HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. WESTLAND. Mr. Speaker, a situation which borders on the ridiculous and certainly is uneconomical has arisen as another indirect result of the unrealistic program of rigid price supports which is presently in effect.

Pacific Northwest farmers, whether dairymen, poultrymen, or producers of turkeys and meat animals, who are required to feed grain to their livestock and poultry have historically used large quantities of oats in their feeding program.

Insufficient oats are raised in western Washington to take care of requirements of these farmers and on many occasions it has proven necessary and desirable to import this feed material from western Canada.

Late in 1953 the United States entered into an agreement with the Canadian Government which limits shipments of oats from Canada to the United States to 23 million bushels during the period from December 10, 1953, to September 1954, in order to reduce the impact of imports on the domestic price-support program. This quota has now been used and it therefore is impossible for farm feeders to import any oats from Canada for the

next 2 months. It is necessary therefore for these farmers to bring oats from as far away as Minneapolis, resulting in a $20 per ton freight haul.

There is no intention to criticize my good friends in Minnesota for their efforts to protect the markets for the products of their farms. However, it would seem more sensible to me if a reasonable import duty could be placed on Canadian oats which might be imported above the quota, thereby allowing the Treasury of the Government of the United States as well as the farm feeders of my district to profit from the purchase by them of feed oats in Vancouver, British Columbia, instead of what seems to me to be an unnecessary and ridiculous freight payment for the hauling of oats for 2,000 miles.

As long as high-rigid price supports are in effect, situations such as this are bound to arise. Dislocations of grain plantings and wasteful long hauls of produce are but two of the many evils of the present uneconomical and discredited price-support program.

The President's Shot in the Arm Will Not Help the Refugee Act

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. CELLER. Mr. Speaker, the President has finally realized that operations under the Refugee Act of 1953 have failed. He issued a proclamation asking aid from 48 governors. What the President did not reveal was that the Refugee Act is entirely too restrictive and that under its administrator, Scott McLeod, the goal of admission of 211,000 refugees will never be achieved.

One year has passed and only a trickle of DP's have actually arrived in the United States. Only 7,000 visas have been issued abroad but these primarily cover preferred classifications under the statute. Most of these are still in Europe. Only 2,200 refugees have arrived in this country.

The duration of the act is 3 years. One year has gone by already. What is 2,200 as against 214,000? At the present snail's pace of operation, it will take years and years for 214,000 to come in.

The rate of entry will not be accelerated by any Presidential proclamation for a number of reasons. First, there is the ridiculous attitude taken by McLeod who insists that his agents prowl around countries from whence come the DP's and question all and sundry concerning the character, habits, and associations of the applicant. The governments of these countries refuse to allow McLeod to invade their sovereignty and act as local police. His insistence has slowed down the process. He sees the subversive under every bed.

Secondly, he has made partisan political speeches around the country. His whole setup is riddled with politics. Welfare organizations whose help is needed for the full flow of refugees have condemned and shunned him and his works. They have lost confidence in him.

Thirdly, it is difficult, if not impossible, to get personal assurances for each refugee. Such assurances lay a heavy obligation upon the guarantor. Under the Celler DP Act, the previous refugee act under which we admitted with no delays over 400,000 DP's, assurances of jobs and homes were permitted by religious and welfare organizations like the Rural Catholic Life Conference, the National Lutheran Conference, the Jewish Joint Distribution Committee. These assurances were carried out and no difficulties ensued. Jobs and homes were provided.

Now the President calls attention to the current refugee program. He asks the aid of the States in implementing it. He laments the lack of assurances which stymies efforts to get 214,000 DP's into the country within the next 2 years.

The President's shot in the arm will not help. Two factors must be eliminated. First, McLeod must go. Second, the act must be liberalized.

Serious Implications in Overseas Military Family Housing

EXTENSION OF REMARKS

OF

HON. CHARLES B. DEANE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. DEANE. Mr. Speaker, today I dispatched a letter to Hon. Charles E. Wilson, Secretary of National Defense, which I believe of great significance to the Congress in its deliberations on the subject of adequate family housing for our military personnel, particularly those overseas.

I herein produce the contents of this letter for the information and guidance of Members of the House:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 9, 1954.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: As is evidenced by my previous correspondence with the Assistant Secretary of Defense, Franklin G. Floete, in letters dated October 30 and December 19, 1953, and January 15, 1954, I have a great concern for the provision of adequate family housing accommodations for members of our armed services in overseas areas.

As further evidence of my concern in this matter, I introduced in the House of Representatives on May 31, 1954, H. R. 8968, a bill authorizing the Defense Department to acquire family quarters by lease or purchase. I also presented to the House Armed Services Committee, to which H. R. 8968 was referred, a supporting statement for the adoption of this bill.

I note that the legislation sponsored by House Armed Services Committee, H. R. 9924 recently passed by the House of Representatives, contains only a few family units for overseas construction, and all of these are destined to go to the naval base at Port Lautey, French Morocco. I am somewhat surprised that a direct authorization has been provided in H. R. 9924 for family housing construction since, as far as I can ascertain, the existing authority for guaranteed rentals as contained in section 302, Public Law 534 of the 82d Congress, has not been fully exploited.

During some personal investigation which I made last summer at United States military basis in France, I found evidence which led me to believe that utilizing the guaranty as authorized by law of not to exceed 10 years would produce housing accommodations which would be acceptable to our field commanders. It is my belief that this will produce the housing which is needed today rather than seeking new legislative authority which will place the occupancy of the housing required 24 to 30 months in the future. The need for housing in these overseas areas is extremely critical. According to press accounts today out of Fort Lyautey, we see the increasing need for family quarters on the base rather than located in adjacent communities.

We are losing, as you well know, our key people every day because of the failure on our part to provide the accommodations that are so essential to the stability of the officer and the enlisted personnel of the Defense Department.

I would appreciate being advised as to the proposed method for meeting this criminal shortage, and a schedule showing the dates upon which it could be expected that occupancy would be available for this required housing in the areas of France and French North Africa.

Sincerely yours,

CHARLES B. DEANE.

The Truth About the Atomic Energy Bill

EXTENSION OF REMARKS

OF

HON. OAKLEY HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. HUNTER. Mr. Speaker, debate on the atomic energy bill generated much sound and fury, not only in the Halls of Congress, but also in the press. I take this opportunity to call to the attention of the Members of the House and Senate two newspaper editorials concerning this bill. One editorial appeared in the Fresno Bee on July 29. The Bee is published in Fresno, Calif., which is in my district. It is a part of the McClatchy chain, which also publishes the Modesto and Sacramento Bees and, in addition, operates a network of radio and television stations. The other editorial appeared in the Oroville Mercury, of Oroville, Calif., on July 30. The Oroville Mercury, so far as I know, is an independent newspaper.

The Bee editorial castigates me and my good friend and colleague, LEROY JOHNSON, who represents the 11th District of California, for voting in favor of the bill. The Mercury editorial, on the other hand, congratulates us on our good judgment. Personally, I prefer the Oroville editorial.

The Bee editorial follows:

VALLEY CONGRESSMEN SPLIT IN PUBLIC POWER VOTE

For a United States Congressman from the central valleys of California to vote to imperil public power is to vote against the wel-

fare of his region and of those who sent him to Congress.

Yet Congressmen OAKLEY HUNTER, Republican, representing Fresno, Madera, and Merced Counties, and LEROY JOHNSON, Republican, representing San Joaquin and Stanislaus Counties have done exactly that.

They voted for the House version of the atomic energy bill which forbade the Atomic Energy Commission and other Government agencies to produce commercial atomic power along with private companies.

Those men voted right down the line to bar the Government from this vast new source of power. They voted for a bill which in effect abandoned virtually every safeguard painfully constructed over the years to protect the public from private utility exploitation.

Congressman HARLAN HAGEN, representing Kern, Kings, and Tulare Counties, CLAIR ENGLE, of the Second, Sierra Nevada and valley district, and JOHN E. MOSS, JR., of the Third, Sacramento Valley, district, all Democrats, stood steadfast for the welfare of the Nation and the valley. They voted against this outrageous giveaway.

The irresponsibility of HUNTER and JOHNSON to their constituents was emphasized by the successful struggle of some Senators to write safeguards into the Senate bill.

There can be no ducking responsibility on this issue. It is clearcut. If the Government cannot produce commercial atomic power, there can be no comparative yardstick for rate fixing. New England, for instance, has the highest hydroelectric rates in America. At the first suggestion of recession, New England is likely to become a depressed area. There are no public power projects in those 6 States.

HUNTER and JOHNSON voted to New Englandize the country with respect to atomic power. Under the plan they supported there could be no preferential treatment for Government bodies in the distribution of atomic power. They voted to place the modern, fabulous promise of the nuclear age in the framework of a discredited past.

The stand taken by HAGEN, MOSS, and ENGLE indeed stands out in shining contrast. They deserve a resounding "well done" for their alert awareness of the public interest and their duty to their constituents.

Following is the Oroville Mercury editorial which appeared the next day:

IS PUNISHMENT DUE?

Two Congressmen, LEROY JOHNSON and OAKLEY HUNTER, who represent districts in the San Joaquin Valley, are denounced by a newspaper chain devoted to the socialism of public power, because they voted in favor of President Eisenhower's measure concerning atomic energy.

The chain which has papers in their districts, is going to try to defeat the two Congressmen on that issue.

As a matter of fact, their vote was in favor of private industry, and against placing the Atomic Energy Commission in the commercial power business. Why should the AEC, just because it has discovered a new source of energy, be allowed to compete with private industry?

The newspaper chain declares that a Government agency in the atomic power field is needed as a yardstick. This is an insincere statement. It first was made by President Roosevelt as an excuse for the Tennessee Valley Authority. TVA has become far more than a yardstick. It has become the biggest producer of commercial power in the United States.

Nearly a billion dollars of taxpayers' money has been spent by TVA on power alone and 35 more powerplants for TVA are now in the works. In a few years the yardstick designed to control the price for hydro power will be producing more power by steam than by water, thus showing how socialism creeps up on us. Thus have the taxpayers been led to favor one locality with money taken from them in all sections of the country.

Now the advocates of this form of socialism are busting out all over trying to sew up atomic power, the great source of the future, in a socialistic straitjacket, from which private industry would be squeezed. If they could succeed, which they have not thus far, it would be the greatest single victory of socialism in the history of the world.

Now it is up to the voters of the San Joaquin Valley to decide whether their Congressmen are to be punished for voting in favor of private industry, the source of America's great progress, or in favor of socialism, the curse of Europe.

Despite the Bee's charge that the bill places "the modern, fabulous promise of the nuclear age in the framework of a discredited past," it passed the House by a vote of 231 to 154, and the Senate, by a vote of 57 to 28. It was reported favorably by the Joint Committee on Atomic Energy to the House and Senate by uanimous vote—after nearly a full year of hearings and deliberations. It constitutes a general revision of the present atomic energy law.

It provides for the following: First, industrial participation in the atomic energy program, particularly in the field of atomic power by licensees of the Atomic Energy Commission; second, a means of cooperation with our allies under adequate security safeguards; third, a means by which the President can implement an international atomic pool plan under adequate security safeguards.

It is readily apparent that whoever wrote the Bee editorial was either ignorant of the facts or attempting deliberately to mislead Bee readers.

The editorial states that I "voted right down the line to bar the Government from this new source of power" in the production of electricity. The statement is false. The bill I supported not only does not bar Government agencies which have historically produced electricity, but an amendment which I also supported actually gives preference to public bodies.

The editorial further states that the "House version of the atomic energy bill forbade the Atomic Energy Commission and other Government agencies to produce commercial atomic power." This statement is also false. There is nothing in the bill which prohibits other Government agencies from doing so.

The House version of the atomic energy bill forbade only the AEC from engaging in the sale or distribution of energy for commercial use, except such energy as may be produced by the Commission incident to the operation of research and development facilities owned by the Commission, or facilities for the production of special nuclear material owned by the Commission.

The reason for this is simple. The atomic energy bill is not a power bill. It is a bill to advance research and development in aid of the art of making atomic machines or of using atomic fuel for the generation of power. It was not the intention of the framers of this legislation to turn the Commission into a federally sponsored commercial electric power generating agency. The Atomic Energy Commission is basically a development and regulatory agency. Its only production is in connection with weapons.

The Atomic Energy Commission now has under way a 5-year program directed at solving some of the basic problems involved in the development of economic atomic power. It is unlikely that any of the plants built under this 5-year program will, in fact, produce competitive economic power, but it is also a fact that the Government and the Commission are committed to the continuation of the construction of whatever plants prove to be advisable in order to provide the necessary demonstration of economic practicability.

It is not probable that any atomic power plant can be constructed in the next decade which will not be essentially experimental. Any electric power produced by such plants built by the Commission will, in fact, be byproduct energy in the sense that it is incidental to the experiment. The experiment in these cases will be designed to contribute to the success and economic operation of large plants capable of direct adaptation for industrial and commercial use. The energy itself is closely interwoven with the nature of the experiment, but the emphasis throughout this program is on the development aspect of the effort.

There are other Federal agencies which historically have been producers and distributors of electric power on a commercial scale. If these agencies, such as TVA, REA, Bonneville, etc., under authority of the Congress should find it desirable to produce electricity from atomic energy, there is nothing in the bill which prohibits them from doing so. Whenever commercial feasibility has been demonstrated, these Federal and other public agencies are certainly not barred from seeking and obtaining licenses to construct and operate atomic power plants.

The Bee editorial also states that under the plan I supported, "there could be no preferential treatment for Government bodies in the distribution of atomic power." This statement is also false. During debate on the bill, an amendment was introduced by Representative JONES of Alabama, which provided that the Commission should at all times, in disposing of energy which it produces, give preference and priority to public bodies and cooperatives. This amendment was accepted by the chairman of the Atomic Energy Committee, Representative COLE of New York, and was agreed to by the House. I voted for it.

The Senate filibuster and most of the talk in connection with the bill was over a side issue. President Eisenhower had ordered the Atomic Energy Commission to negotiate a contract with two private-utility companies, Middle South Utilities, Inc., and the Southern Co., to construct a $107,250,000 steam plant at West Memphis, Ark., which is across the Mississippi River from Memphis, Tenn. The administration proposed the contract as an alternative to a $100 million TVA steam plant at Fulton, Tenn., which is north of Memphis. Neither plant would be located near the atomic installation at Paducah, Ky. Power from either plant would be fed into TVA lines to replace power supplied to Paducah from other sources.

Democrat southerners in the TVA area and northern liberals protested the order to bring private companies into the power exchange and tried to amend the bill to ban such a move. This amendment was defeated in both the House and Senate.

The administration's proposal to contract for power from private utilities was strongly supported by Senator FULBRIGHT, Democrat, of Arkansas, who has always supported TVA in the past and has also supported SPA—Southwestern Power Administration.

The proposed contract would, of course, result in expenditures of substantial sums of money in Arkansas. As one Member of the House aptly put it, the real issue is, Who is going to get the basket of peaches—Tennessee or Arkansas? Tennessee has been getting a basket regularly and now complains that Arkansas is about to get a basket instead of her.

The difference in cost between power purchased from the private utilities and power purchased from TVA, on the basis of existing TVA-AEC rates, would be $282,000 a year, or 1 percent of the total cost. The private-power companies, however, would have to pay some $1,499,000 annually in State and local taxes in Arkansas, which amount is far in excess of the difference in the cost of power. TVA does not pay such taxes.

If TVA built the plant, the Federal Government would have to appropriate $100 million, which money would be interest-free. TVA does not pay interest on money which it receives from the Federal Government for the construction of power projects. The Government would have to borrow the money at 2½ percent interest—this at a time when we are being forced to raise the public debt limit above $275 billion. Under the proposed contract, the private companies would do their own financing, largely through insurance companies and banks.

Another factor to be considered is the cancellation provision in AEC contracts. The AEC has insisted that all of its power contracts provide a means of cancellation in the event power requirements should decrease or be eliminated. The Commission has been conscious of the advantages of having diverse power sources. That makes sense. The proposed power contract provides a means for permitting the Government to rid itself of a substantial liability for excess power in the Paducah area if at any time it becomes desirable to cancel a portion or all of the AEC power contract.

The private power companies are taking a substantial risk, for the Government can serve notice of cancellation at any time, to be effective 3 years thereafter. In other words, if the AEC finds that it does not need power in the amounts contracted for, or if a more economic source of power becomes available, it can cancel its contract on favorable terms, and the private power companies will have the burden of taking over and operating this large plant. They are the ones that must find a market for the power. On the other hand, if this plant continues to be useful in the AEC's program, it can use it for the entire 25 years of the contract and have an absolute call on the facilities for 2 additional 5-year periods.

The issue at hand has been greatly distorted and exaggerated by TVA advocates. The charge that this contract marks an attempt to destroy TVA is false. As Senator FULBRIGHT has stated, TVA is not a weak reed to be broken by a waft of power blowing across the Mississippi River toward Memphis. It is the largest power system in the United States. The fact is that TVA has been buying power from across the Mississippi for several years—450 million kilowatt-hours in 1953. Practically all of this power was delivered to the Memphis area from the same sources who are sponsoring the proposed contract with the Government.

Congress has most certainly not been niggardly with the TVA. On the contrary, it has been extremely generous. Total appropriations by Congress for TVA through fiscal 1955 amount to $1,905,214,581. During the 4 years I have been in Congress, I have voted for appropriation bills which included a total of $882,962,600 for TVA.

TVA advocates have encouraged the mistaken impression that TVA is essentially a hydroelectric project involving solely rivers and dams. Actually, more of its power is produced by steam than by water. At the present time, 55 percent of its power is produced by steam, and 45 percent by water. It has 14 steam plants in operation and 26 under construction. By 1957, 70 percent of its production will be steam power and 30 percent hydroelectric. A steam plant can be built any place where fuel is available to heat the boilers.

It is the growing predominance of steam-generated power which is arousing opposition to Federal appropriations for further development of TVA with American taxpayers' money. During debate on the atomic energy bill, Representative LEON H. GAVIN, of Pennsylvania, stated:

> I have no objection to water power in the TVA. I am concerned with the steam powerplants financed by the people of the Nation to the advantage of one particular area over other sections of the Nation. When you get along with waterpower in the TVA, that is all right, but when you come in and ask the American taxpayers to subsidize tax-exempt steam powerplants in the Tennessee Valley, I say that you are no more entitled to them than we are in Pennsylvania. * * * So, why do you come to the Congress, requesting authorization of federally subsidized steam-power plants, tax exempt, that my State will have to put up the money to build that will permit the TVA to attract industry into the valley away from the rest of the Nation? Is the Tennessee Valley a preferred area of the Nation? The attempt to continue this preferred-class area just does not make sense to me. It is time the TVA stood on its own feet. * * * Build your own steam plants to meet your needs for increased power with your own money and don't ask the American taxpayers to foot the bills.

Mr. Speaker, the House, in passing this new atomic energy bill, reflected the sentiment of the majority of the American people. The nonmilitary potentials of atomic power are neither so strange nor so other-worldly that they cannot be developed within our traditional system of individual initiative and private industry.

At present, of course, the Nation's work with the atom still constitutes a Federal monopoly, which is a departure from our normal American pattern of free enterprise. But, this monopoly, which could profoundly alter our institutions if made permanent, is not meant and has never been meant to exist in perpetuity. The continuance of complete Government ownership and control during peacetime application of atomic energy could produce a change in our society more radical than any that might result from the technical novelty of nuclear power.

That is why the Atomic Energy Commission unanimously agreed on the principle that nuclear power as it becomes economically attractive should be produced and distributed not by the Commission but by private and existing public power systems. There will, of course, always have to be large-scale Federal participation and regulation in this undertaking. However, restrictions necessary in the interest of our Nation's security can be reconciled with free enterprise, and numerous other problems involved can be solved without unfair advantage to any group and in harmony with the proper relationships between our Government and its citizens.

There are those who have seen in this atomic energy bill an opportunity to bring about the federalization of the electric industry. Personally, I subscribe to the philosophy that intrusion by the Federal Government into private, local, and State affairs should be limited to the extent necessary to assure national security and protect individual welfare, thereby leaving the largest possible area open for the free interplay of economic forces and for individual initiative and aspiration.

While I deplore the disregard for the truth evidenced by the Bee editorial, I am aware that the staff of that newspaper chain must accept a policy in regard to public power which may well be very much against their own best judgment. The will of the late C. K. McClatchy, former editor and publisher of the McClatchy newspapers, admonished those who have inherited his empire to support public power against private enterprise in every instance. Ironically, this prejudice against private enterprise does not embrace radio and television, which, like electric power, are public services. The McClatchy empire includes both radio and television stations.

This public power policy has been adhered to with an almost fanatical disregard for truth, modern development, or the fact that C. K. McClatchy never dreamed, when he wrote that will, that the atom would be split. In fact, the Bee's statement that I "voted to place the modern, fabulous promise of the nuclear age in the framework of a discredited past," could well be said to have been written by the dead hand of that same discredited past.

Uncle Sam Is the Symbol—Do We Serve in the Ranks?

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. RABAUT. Mr. Speaker, the American political scene has been dominated, substantially, since the founding of this Republic, by the two-party system. Among all the many different types of governmental rule practiced in the countries of the world, this Nation stands by itself in this respect: on the one hand, our constitutional system of checks and balances assures that there can be no swift upheaval or seizure of dictatorial prerogatives; while, on the other, provision is made for the frequent and orderly change of the reins of rule. Intelligent use of the ballot is the means by which public sentiment and personal preference are effectively translated into a declaration of national policy.

This Nation was designed from the first as a Federal Republic, a union of autonomous States, deriving such power as it possessed by the free consent of the governed.

Under the 10th amendment it is provided that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

However, it has not always happened that the individual, the ultimate repository of governmental authority, has chosen to exercise his right of self-rule. Oftentime in our history, there have been shameful instances where the voting public has allowed a portion of its prized edifice of constitutional liberty to be eaten away by its own neglect or indifference on voting day. Many of the abuses and corrupt practices in government, on every level, would never have come about had the "let the other fellow do it" atitude not been present.

How many times in our history has the outcome of an important question or the fate of a worthwhile cause hung upon the delicate hinge of a single ballot?

Government is your job.

Our American system operates under a bipartite political arrangement. Admittedly it has its defects and shortcomings. Nonetheless, it has worked, and in a way which would have astounded even those of our Founding Fathers whose concept it actually was. A one-party system leads to dictatorship. We need only to look to the situation in Russia to realize once again the truth of this statement. Where there is no opposition, there is no freedom.

There are countries of the world where there are many parties working for power, many groups striving for self-expression. Where this situation prevails there can be little semblance of order in government. Each group must bargain with the other; only a coalition can expect to command a majority and this majority, comprised as it is of divergent philosophies and personalities, is subject always to disagreement, dissention, and finally dissolution. When there is no government, anarchy is the order of the day. Any country plagued by such disorder is fair prey to her enemies, both from without and from within.

Our own two-party system has shown itself to be the most workable means by which we may govern ourselves. It is a system of criticism. It provides that a loyal opposition voice its opinion whenever and wherever the necessity or occasion arises. The party out of power is free to alert the citizenry to possible need for change, or to the requirements of the public weal, when the ruling party fails to act with a reasonable degree of promptness. The minority party, the opposition, offers a constructive alternative, which the voting segment of our population may place in power at the next election, if conditions so warrant it. Thus the party in office constantly faces this challenge to its retention of power and consequently it must be ever alive to problems calling for solution. Otherwise, it faces recall at the polls.

The duty of Mr. Average Citizen is that of trustee over his country's well-being and successful continuance. He does this first by voting for the candidate of his choice, and second, having elected him, he strives to keep constantly in touch with him, so that the voice of the Congressman or Senator or councilman or board member is ever the voice of those whom he represents. Only thus may representation be effective and operative. Only by this means can our precious heritages be perpetuated.

For our system of government to survive, strong and resolute, as it has for over 150 years, it is important that we put our shoulders to the wheel together, to the end that these God-given tenets of American constitutional self-rule be carried out in full conformity with the just consent and expressed wish of those who are to be governed.

Americanism is your business.

Government is your job.

Showdown on Atomic Energy for Peace

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. BENDER. Mr. Speaker, when the historians come to analyze the trends of the past 20 years, they will cite the recognition of the Soviet Union by the United States as a turning point in the growth of Communist power. Ever since then, the authority of the Soviets has grown at a rapid pace. A strong case undoubtedly could be made out to prove that this was inevitable, with or without American recognition, but our stand certainly did nothing to impede the process.

Now we are faced with a new decisive point affecting world history. Last December, in a magnificent address before the U. N., President Eisenhower asked for world cooperation in developing the atom for peacetime purposes. Soviet Russia to date has adopted the view that the atomic bomb must be banned before anything of a peaceful nature can be projected for atomic energy. The program is too important, however, to permit its loss because of Russian obstinacy. Britain, Canada, and France are prepared to work with our own Government. Here is an opportunity for the demonstration that Uncle Sam has no war plans with respect to any country. By pooling our efforts with our friends we shall make it clear throughout the world that we do not come to destroy, but to fulfill.

A Report To My Constituents

EXTENSION OF REMARKS

OF

HON. HARRIS ELLSWORTH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1954

Mr. ELLSWORTH. Mr. Speaker, since I have been a Member of the House of Representatives I have made reports regularly to the people of the Fourth Congressional District of Oregon. A weekly Letter from Washington is sent to the newspapers in the district. That letter is regularly printed in most of them. This year, as I have done before at the conclusion of a term of Congress, I have prepared a summary or report on this, the 83d Congress, which includes a statement of my own activities. I now present this report to the House and I shall circulate it as widely as possible in the congressional district which I represent.

The duties and responsibilities of a Member of the majority party in Congress when that party also has won the Presidency are, I find, considerably heavier than when we were in the minority. In addition, several improvement projects in our district, which have been under study for years, came to the point of congressional authorization this year. These facts made the work of my office much heavier than in any previous year of my service here. It is with considerable pleasure and satisfaction, though, that I am able to report the passage by the House of Representatives of a sizable number of bills which I introduced and which are of benefit to the Oregon Fourth Congressional District as well as to the whole country.

ELLSWORTH BILLS PASSED

Following is a brief summary of bills introduced by me in this Congress which were passed by the House:

H. R. 4541 authorizes the inclusion of power generation in the Cougar flood-control dam on the McKenzie and the Green Peter flood-control dam on the South Santiam—also the authorization of the construction of the White Bridge

reregulating dam on the South Santiam. This bill was incorporated in the river and harbors and flood-control omnibus bill.

H. R. 4118, providing for the preparation of the rolls of several coastal Indian tribes and for the distribution of funds which had previously been awarded them by the courts and for which congressional appropriations have been made. This legislation will permit the distribution of nearly $3 million to Indians who have long been entitled to receive this money.

H. R. 5603, amending the Federal Reserve Act so as to permit banks to make loans on forest lands. Previously this right has been denied since banks could make loans only on improved real property, and forest area was not so classified. This law will be of considerable value in protecting the jobs of workers in mills where such financing is needed. It will enable many sawmill properties to be financed upon a more stable basis. Some loans have already been made under this law.

H. R. 5958 settles the long-standing dispute between the Forest Service and the Bureau of Land Management regarding the jurisdiction over some 462,000 acres of forest lands in the O. & C. area of western Oregon. This bill provides for the distribution of some $5 million in impounded funds to the 18 land-grant counties, and eliminates the checkerboard pattern of jurisdiction which has been a plague to good forestry management and lumbering for years. The passage of this law will not only release to the counties money which is due them under the provisions of the 1937 O. & C. Act but protect and improve the management of Government-owned timber in the area.

H. R. 7473 authorizes the construction and maintenance of a harbor at the mouth of the Rogue River at Gold Beach. The greatest economic need of the Curry County area is improved transportation, especially the availability of water shipping. The construction of this harbor will not only directly benefit all of the south coast of Oregon, but it will be of national benefit since cargo shipping will make available the present locked-in natural resources of that great area. This legislation was included in the rivers-and-harbors flood-control omnibus bill.

H. R. 7815 provides for the construction of the flood-control dam on the McKenzie known as Cougar on a partnership basis between the municipally owned Eugene Water Board electric-power system and the Federal Government. The Federal Government will be saved nearly $11 million in the cost of constructing the power facilities and a portion of the flood-control dam. The people of Eugene will have a much-needed increase in generating capacity for their utility system.

H. R. 8074 provides for a water-use and flood-control survey in the Coos County area. Protective works are needed in that area but their nature and extent can only be determined by adequate study. This bill was incorporated in the omnibus bill.

H. R. 8384 authorizes the construction, operation, and maintenance of the Talent division of the Rogue River Basin reclamation project and provides for the rehabilitation of other irrigation works. Provision is thereby made for supplying water to 17,890 acres of land of which 9,250 acres will receive additional water and 8,640 acres will be newly irrigated land. The plan represents the extension and improvement of existing works of the Talent Irrigation District together with the rehabilitation of the Medford and Rogue River Valley Irrigation Districts. A 16,000-kilowatt power generating unit will be installed. This project is a much needed improvement and will greatly benefit the economy of the Rogue River Valley. Practically all of the Federal money advanced for this work will be repaid—most of it with interest—by the landowners and electric power users of the valley.

H. R. 8431: This legislation permits a transfer of surplus hay and pasture seeds held in storage by the Commodity Credit Corporation of the Government to the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service so that such seeds may be used to restock wildlife and livestock feeding ranges on Government-owned lands. The passage of this bill served the double purpose of benefiting Government lands and saving storage costs and loss through deterioration of surplus seeds owned by the Government.

House Resolution 89: This House resolution passed early in the first session of this Congress directed the House Committee on Interior and Insular Affairs to conduct an investigation of the Indian Bureau and Indian problems in general. Hearings authorized by this resolution were held in various parts of the country including a hearing in Eugene, Oreg. The committee prepared a voluminous report in which was incorporated the testimony given by Indians. It was one of the very few times in our history that Indians have been given an opportunity to talk for themselves to a congressional committee.

OTHER LEGISLATIVE ACTIVITIES

The record of legislation introduced or bills passed by the House is by no means a complete measure of the activities of your Representative in Congress and his office. My work involves many calls upon members of the Cabinet and their assistants and the various Commissions and Bureaus. For several years I have been a member of the Republican Policy Committee of the House. I am a member of the House Rules Committee which must pass upon all legislation before it is sent to the floor.

During the nearly 6½ months of this session of Congress I have been absent from the floor on only 1 day when roll-call votes were taken. I was absent that day on official business.

I have this year, as in the past, made appearances before appropriations subcommittees in support of appropriation items for the Willamette Valley flood-control project, forest access roads, the Bureau of Mines Laboratory at Albany, Bonneville transmission lines, harbor work, and other Federal activities in the district.

It is necessary for me to keep in constant touch with the Army engineers regarding project work and emergency work in our district. Under the heading of emergency work is the reconstruction of the south jetty at the Port of Bandon where two serious shipwrecks occurred last year. One hundred and seventy-four thousand dollars has been set aside for that work which will be completed next year.

THE ACCESS ROAD PROBLEM

For years I and other Members of Congress from forested areas have been urging better appropriations for forest roads. I have been especially anxious to see a long-range planned attack on this problem rather than a year to year piecemeal approach.

The forest economy of the Douglas fir region and other forested areas of the West depends upon the development of a system of access roads in and to federally owned timber. The future supply of wood products for the entire country is likewise dependent upon access roads. Proper accessibility is essential to the sound management of our great forest reserves.

Although the situation, insofar as the attitude of the Appropriations Committees toward the problem of access roads is concerned, has been much better these last few years it was not until this year that any legislation was enacted which would permit much more than 1 year of future planning by the Forest Service.

Soon after the 83d Congress convened last year I introduced the bill (H. R. 4929) to provide a system of forest access roads by means of Treasury loans. I had been working on the wording of the bill for nearly a year. It is based upon the premise that since the price paid for timber includes the cost of building a road to it, the businesslike way of providing an access-road program would be to borrow the money, build the road, and then pay back the loan from the proceeds of the timber sale. My plan was to set up a 5-year program on that basis using $25 million a year borrowed from the Treasury to be repaid with interest within a reasonable time.

My access road plan attracted considerable favorable attention but met with serious resistance by the Bureau of the Budget and by some members of the Appropriations Committee. While I was endeavoring to get committee consideration for my bill there was written into the big roads and highways bill a paragraph—section 6—which, if given proper administrative handling, will do almost as much toward providing a planned and adequate program of timber access roads as would my plan. Section 6 of the Highway Act authorizes the expenditure and contract authority for $24 million annually for 3 years. It remains to be seen whether or not the Bureau of the Budget, the Forest Service, and the Appropriations Committee will make adequate use of this law.

THE TIMBER EXCHANGE BILL

Congress has repeatedly passed legislation to encourage and protect perpetual or sustained yield forestry practices.

The Federal Government has for years urged private lumber operators to adopt such forestry practices. However, the Federal Government, under long standing laws, sometimes finds it necessary to condemn such forest lands in private ownership with the result that the local forest industry may be seriously impaired, with resulting unemployment. For flood-control reservoirs or other Federal developments, private forest lands may be taken by purchase or condemnation. The local lumber industry may find that its entire planning for 50 to 100 years of sound forestry has been destroyed.

To reduce the damage in such situations to a minimum, I introduced H. R. 4646 to provide an alternative to existing laws under which, where private timber lands of a sustained yield operation were taken by the Federal Government, an exchange of similar suitable timber lands in the same area could be made. The Government thus would have the lands desired for a project and the private lumber industry would be able to continue its sustained yield production. There would be no alteration in the cut of timber. The planned steady production of lumber and consequent employment for the community would be preserved. Briefly this was a proposal to modify the old law of paying damages to the party owning lands so as to permit the exchange of comparable lands. The present condemnation procedure compensates the private land holder with cash but deprives workers of employment and disturbs the economy of the local community. The proposed change would not only compensate the land owner but also assure employees and the community of sustained yield production.

No timber owner could benefit in the slightest degree—he could not acquire a single foot of timber more than he already owned—if such a law were passed. As presented on the floor for final passage, land in national parks, monuments, wildlife areas and other reservations could not be exchanged. Complete safeguards were most carefully written in. Nevertheless this bill was attacked on the floor as a land grab and a timber steal. It was asserted that parks and recreation areas would be ruined, that the national forests were to be turned over to private interests. Even though such statements are clearly untrue and literally dishonest, sufficient doubt was aroused in the minds of farm-State and city Members of the House so that the bill was sent back to committee.

VETERANS

I have had several conferences with Veterans' Administrator Higley and the VA Medical Director regarding the establishment of additional general medical hospital beds at Camp White. This matter is still under study by the VA.

Legislation affecting veterans and their families has always had my support. I have voted for adequate appropriations and recently voted for compensation increases and other benefits.

Some statistics regarding benefits to Oregon veterans have just been given me by Mr. Harvey V. Higley, Administrator of Veterans' Affairs.

In the last year for which VA has figures—July 1, 1952, to June 30, 1953—the State of Oregon received $44,265,000 in direct and indirect benefits to veterans or their dependents. That does not include certain life insurance payments and a few other expenditures of a minor nature which cannot be broken down by States.

Of this amount, $23,431,000 was paid in cash to 31,350 living veterans or dependents of deceased veterans in the form of compensation or pension payments.

The remainder covered such benefits as GI bill education or training, vocational rehabilitation for the disabled, hospitalization, medical care, death indemnity, burial benefits, and the like.

Mr. Higley said VA benefits the local communities of Oregon in another way. The GI loan program, he said, has brought the State of Oregon and its local communities many tax dollars in the 18,775 GI home loans totaling over $117,307,000 made to date.

THE CHANGE IN WASHINGTON

In January 1953, for the first time in 20 years, a Republican-controlled Congress convened and saw the inauguration of a Republican President.

The new government was inexperienced in the techniques of administration but well supplied with sincerity and determination. The new executives, veteran antagonists of New Dealism, socialism, corruption and starry-eyed confusion in Government, knew well enough what they wanted to get rid of in Washington. They knew also what should replace that which they discarded.

It was an enormous task to which they dedicated themselves. Part of it involved clearing away the rubble of the past and part—a large part—was to build a foundation for the future.

There was no fanfare about the attack on the problems. There was no effort toward frantic speed—no attempt to emulate the famous "100 days" of the New Deal with a new and startling law or plan every day. They raised no goblins of panic and emergency at which to scream.

The first months, the first year in fact, was a period of inventory, study and planning. There were first things to do first. For instance there was a hot shooting war in Korea—it had to be ended.

Many problems were inherited. It was necessary to deal with them while also preparing for a constructive future. The first year saw much accomplished, but effort was of necessity rather heavily weighted toward patching the leaks caused by the errors of the past. In other words, accomplishment for the first year may perhaps be judged better by comparing the situation at the end of that period with what might have been.

The real legislative work of the new administration did not get fully under way until the second session. Meanwhile work had begun in the congressional committees on some of the major proposals, including the St. Lawrence seaway project, statehood for Hawaii, a look at a revision plan for the farm program, the expansion of social security, and the huge tax revision program.

ATTACKING THE PROBLEMS

After naming his Cabinet officers, a group of men selected without reference to politics but on the basis of their known ability and integrity, President Eisenhower and his Cabinet, together with their newly appointed assistants and the Congress, set to work on 10 main objectives:

First, stop wasteful spending: The outgoing administration had submitted a budget to Congress. The President and his department people set about immediately to prepare a new budget which, when it was further studied and revised by the Appropriations Committees of Congress, brought a saving of more than $12 billion when compared with the appropriations recommended by President Truman. The first step was made in the reduction of wasteful spending.

Second. Balance the budget as soon as possible: On the basis of comparing appropriations with the estimated income for the first fiscal year of the new administration it could be claimed that the financial affairs of the country were in balance. Unfortunately, however, the term "balancing the budget" means a balance between the money received by the Government and the money actually expended by it. The new administration was faced with an accumulation of appropriated but unexpended balances, mostly in the form of contracts made by the Department of Defense. Billions of dollars' worth of equipment and supplies were being manufactured and delivered to be paid for out of appropriations previously made by Congress. The money used to pay for these things, of course, came out of current revenues, with the result that at the end of the fiscal year, June 30, 1954, expenditures had exceeded income by a total of $3,029,000,000.

Third, reduce taxes: Tax reductions made since the inauguration of President Eisenhower surpass any previous total in the history of Congress. The overall tax-cut program will save taxpayers $7,400,000,000. The 10-percent reduction in personal Federal income taxes which became effective last January 1 saves a total of $3 billion annually. This tax cut would not have been possible if the Congress and the administration had not cut the Truman budget by some $12 billion. Nor would the $2 billion tax saving by elimination of the excess-profits tax have been possible without that budget reduction. The excise-tax reduction law saves taxpayers an additional $1 billion and the great Tax Revision Act will result in a saving to taxpayers of approximately $1,400,000,000.

Fourth, remove controls: Within a short time after President Eisenhower was inaugurated, all price controls, wage controls, and rent controls, which had been on us almost continuously since the beginning of World War II, were removed. It was freely predicted by our opposition that the removal of those controls would do dire things to our economy and to prices. Those predictions never came true.

Fifth, stop the trend toward a super Federal state: The new administration and the Republican majority in Congress

does not believe in the domination by the Federal Government of the lives, liberty, and property of the people of our country. In other words, we do not believe in having a Federal super state. Cooperation between the States and the Federal Government has been established and is being expanded. Definite steps have been taken to remove Government from business activities in competition with private business in our free economy. The Inland Waterways Corporation owned by the Government has been sold to private interests. A great hotel in the Virgin Islands has been sold. Tin and rubber manufacturing facilities have been disposed of. A uniform factory in the Brooklyn Navy Yard has been closed. Paint manufacturing has been virtually discontinued. Sawmill operations which were conducted by the Government have been eliminated.

Sixth, establish a firm foreign policy: As the result of the failure of the heads of our Government to understand Russian policy from 1945 on, we attempted to persuade the Russian rulers to be friendly and decent by appeasing them. In China, for example, our policy was simply to wait and "let the dust settle." After the dust did settle we found another 450 million people behind the Iron Curtain or under Communist control. At the end of World War II the rulers in the Kremlin had control only of the population of Russia, totaling about 190 million people. When the Eisenhower administration came into power some 850 million people were completely dominated by the Russian Kremlin. In 7 years, the Communist dictator has literally conquered 650 million people without the use of a single Russian soldier in action.

Obviously, what was done in those 7 years could not be undone overnight. We had fallen heir to a phony truce talk procedure being carried on in Korea, a crumbling European defense system and at the same time there was in progress a war in Indochina between the French, supported by natives, and natives who were generally called Communist-inspired guerrillas. That conflict had been in progress for many years. This was not our war but it presented a threat to world peace.

The Eisenhower administration let it be known to Asia and to the whole world soon after inauguration that any further armed aggression against free peoples would be met with retaliation. A truce was promptly negotiated in Korea. This truce was by no means a victory but it did salvage the general situation which prevailed in Korea before the conflict began.

The Communist Chinese armies did not march down across the border into Indochina in armed aggression. It is now hoped that the remaining free countries of Southeast Asia can be organized to cope with future Communist activities and infiltration attempts in that area.

Meanwhile in Europe, the people behind the Iron Curtain have renewed hope which was clearly demonstrated in the uprising of the East German people against Russian control on June 17, 1953. I was in Germany earlier this year and I believe the situation behind the Iron Curtain is smoldering and can reach a point of eruption again unless Kremlin policies are relaxed.

Seventh, stop graft and corruption: Graft and corruption so far as the people who are now working for the Government are concerned is no longer a problem. The revelations and repercussions resulting from what went on in the previous administration are, however, still making headline news. The former head of the income-tax collecting department of the Government has been sentenced to jail. Scandals in the previous housing administration uncovered this year have rocked the Capitol. Investigations continue and it is quite likely other such situations will be revealed as time goes on.

Eighth, restore confidence: The best indication that confidence has been restored in the business world and that investors are again willing to take risks is proven by the fact that the depression which the opposition party predicted so freely last year never did develop. Business conditions in the country now are considered to be healthy, employment is higher—much higher in fact than it was in 1949 and before the outbreak of the Korean War in 1950. The year 1953, the first year of the Eisenhower administration, was the most prosperous year in American history. The year 1954, according to present indications, will be only slightly lower on the economic index than 1953. The outlook for business and employment in the future seems good.

Ninth, take Government out of business: The trend toward socialism and socialistic control by the Federal Government is clearly ended with this administration. The Government is no longer engaging in new business enterprises and is ridding itself of federally operated facilities which, in fact, have been competing with private business.

Tenth, get rid of doubtful employees: There is no future for any member of the Communist Party, or for anyone classified as a security risk for other reasons, in Government employment any longer. Executive department and congressional investigations have caused the removal of many such people, others have been frightened out of Government.

THE EISENHOWER PROGRAM

At the beginning of the 1954 session of Congress the President sent a message to Congress in which he gave a general outline of the legislative program which he thought should be enacted. This was followed over the next several weeks with a series of messages in which he outlined specifically certain legislative recommendations. The recommendations contained in the President's messages to Congress, taken together, constitute what is referred to as President Eisenhower's program. The 83d Congress has passed laws embodying most, but not quite all, of the President's recommendations. The items in the program which have been approved by Congress include the following: Approval of several reorganization plans, the St. Lawrence seaway project, the gigantic tax-revision bill, the reduction of excise taxes, establishment of a new Air Force Academy, establishment of a new Department known as the Department of Health, Education, and Welfare, a stepped-up highway-building program, expansion of the Commodity Credit Corporation's borrowing capacity, an extension of the hospital-building program to include medical centers and nursing homes, at least a partial approval of the President's housing recommendations and a decided improvement in the housing law, the creation of a privately owned atomic energy industry for generating electric power, a compromised version of the flexible farm price support program, the expansion of social-security coverage, and numerous other recommendations of a minor nature.

Presidential recommendations which have not yet been approved by Congress as this report is submitted include Hawaiian statehood, a health reinsurance program, and a boost in postal rates.

The votes I have made on these and other bills represent my own considered opinions. The standard upon which my voting on legislation is based is whether or not it is best for the people of our district and the whole country. Although I have always exercised my own independent judgment when voting on legislation I have noted with some satisfaction during this Congress that the philosophy of government expressed by President Eisenhower and his administration so closely resembles my own that in nearly all cases my votes have coincided with the views of the administration.

In this report it has been my aim to set forth just as fully and as frankly as space will permit not only a record of my own work but to report also the Washington scene as I have seen it and what has been accomplished by the 83d Congress.

YOUR WASHINGTON OFFICE

The Washington office of your Congressman is a busy place. Our mail will average about 50 letters a day. Many people from Oregon visit my office every year. We are always glad to see them, because they bring news from home. I have been called upon many times for assistance by our State, county, and local officials and by veterans and others in connection with their problems with the Federal Government.

I am always glad to be of help in any way that I can. I welcome letters commenting upon legislation and expressing opinions. I reply promptly to all communications. I hope the people of the Fourth Congressional District of Oregon feel free to call upon me at any time if they think I can be of help to them. Letters should be addressed: Congressman HARRIS ELLSWORTH, House Office Building, Washington, D. C.

Question of the Week

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. BENDER. Mr. Speaker, who will call the Dem tune, Adlai or Harry, for this year?

Spanish-American War Veterans Benefits for Army Transport Service Seamen

EXTENSION OF REMARKS

OF

HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. SHELLEY. Mr. Speaker, at the time the House considered H. R. 9020, the bill increasing veteran's benefits, I had intended to offer an amendment to the bill which would have extended veteran's benefits to certain seamen who served with the Army Transport Service during the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion. Unfortunately, because the leadership of the House insisted, H. R. 9020 was brought to the floor under a parliamentary procedure which prevented amendments. This move to prevent liberalizing the bill's provisions made it impossible for me to offer my amendment, thus keeping the very small and deserving group of individuals whom my amendment would have benefited from getting the consideration they deserve.

I wish now to insert in the RECORD a statement outlining the reasons why these veterans of service with our Armed Forces are entitled to special consideration in their old age, with the hope that my statement will help lay the groundwork for favorable action in the next Congress.

Mr. Speaker, the purpose of my proposed amendment was to give long overdue relief and recognition to a very small group of survivors of active combat service with the United States Army during the Spanish-American War, the later Philippine Insurrection, and the Boxer Rebellion in China. As I say, these men are survivors of active combat service, but through a quirk of circumstance they have been pushed aside for over 50 years and have been denied any of the benefits Congress has provided for others who served in the Spanish-American War forces without ever getting close to the enemy.

In 1898 at the beginning of the war, the Army took over the operation of 50 privately owned vessels and operated them as troop transports in addition to 18 Government-owned troopships. When they took the vessels over they took the crews over as well, and every man whom this amendment will benefit volunteered for that service. They were put into regulation Navy uniforms for which they had to pay; they were subjected to the same military discipline as personnel of the Army, including courts martial; the crews manned landing boats putting military personnel ashore under enemy fire; they manned the guns aboard the vessels on which they served and many of them were killed or wounded in action; they were members of the Armed Forces in every way except that they were never formally sworn in, and for this service they received no more pay than that received by naval personnel in similar duties. Aside from that pay this Government has not compensated them in any way for the risks they took or the sacrifices they made.

The irony of this situation is that at the same time the Navy commandeered several large ocean liners for use as Navy transports. The Navy, however, swore the crew members in as members of the Armed Forces, and because of that simple fact the men who served on Navy transports have ever since received the same pensions and benefits as every other veteran of the Spanish-American War. In contrast, the crews of Army transports doing an even more hazardous job have received nothing during the half century which has passed. That injustice can never be completely remedied. For the few men who remain alive, however, and for their dependents, this Congress should certainly do what it can to ease their last years and to make amends for the harsh treatment they have been given.

The total number of men serving aboard these vessels under the Quartermaster General of the Army during the war period was something under 4,800. Their average age was slightly higher than those who served in the regular military forces. While no actual count of the number living today is available, over 6 years ago it was estimated that only 380 were then alive with an average age at that time of 72 years. The last estimate I have, made in July 1953, was that there are now less than 200, including widows, still living. The cost of granting them some meager share of the benefits to which they have been entitled in all justice for years would be small. The compensation in terms of their gratitude and our self-respect would be great. With the death rate indicated it will soon be too late to earn that self-respect.

Mr. Speaker, the limited time I have available does not allow me to detail the many cases I know of personally who are now suffering hardship and whom my amendment would benefit. I have in my hand a photostat of the discharge the Army Transport Service awarded one of them on February 16, 1900, giving as reason for discharge, "hurt in service." Let me read a paragraph from a letter I have received from the man who received that discharge, Mr. Fred Kuhl, who heads an organization in San Francisco composed of survivors of this service. Mr. Kuhl writes:

> I take pleasure in enclosing a photostatic copy of my discharge from the Army Transport Service. It is self-explanatory. I shall only add that I have never received any compensation of any kind for the injuries received in line of duty and under enemy fire on June 29, 1899, off Iloilo, Philippine Islands, on board United States Army Transport *Sherman*. The result of these injuries have changed the whole course of my life. I have been progressively handicapped for 30 years. On October 25 I will be 75 years old.

That statement needs no comment from me.

My predecessor, the late Congressman Dick Welch and I have had bills in behalf of these veterans in Congress for many years. The Veterans' Administration has opposed them on the ground that enactment would be discriminatory to other civilian groups who have served as accessories to our Armed Forces in wartime. I am firmly convinced that the real discrimination lies in failing to enact such legislation. The case of these men is entirely different from that of the ordinary civilian who performs service with the Armed Forces in time of war. They were, in fact, soldiers in everything but name. Their counterparts in the Navy have enjoyed these benefits for years. In 1931 Congress set another precedent for adoption of this amendment by granting veteran status to civilian contract nurses who served between 1898 and 1902, and they did not undergo the risks these men took. If we adopt my amendment today there is no reason why it should be considered as a precedent for other civilian groups to receive veterans' benefits, as has been feared, since there is no other group which qualifies for them as do these men who qualified under enemy fire.

The Navy transport veterans who were in this service served no more than 6 months before they were released. In contrast, after the end of the Spanish-American War many of the Army Transport Service personnel were kept in the service and served through the Philippine Insurrection, the Boxer Rebellion, and the China Relief Expedition. Yet the Navy men receive veteran's benefits and have had them through the years, while the Army men do not. I have a record of one such Army man who continued to sail aboard Army transports until captured by the Japanese at the fall of Manila—a record of service through three wars which ended with his death as a result of confinement in Santo Tomas prison.

Mr. Speaker, under the unanimous consent of the House, I insert the amendment I had intended to propose at the conclusion of these remarks:

AMENDMENT TO H. R. 9020, AS REPORTED PROPOSED BY MR. SHELLEY

Page 13, after line 15, insert:

"SEC. 14. (a) The first section of the act of June 2, 1930 (38 U. S. C., sec. 365), is amended by inserting immediately before the period at the end thereof the following: ': *And provided further*, That the provisions, limitations, and benefits of this section are extended to and shall include any person who served 90 days or more during the period beginning April 21, 1898, and ending July 4, 1902, both dates inclusive, as a member of the crew of any vessel or vessels operated under the jurisdiction of the Quartermaster General of the Army for the transportation of troops or military stores, and who was honorably released from such service, or to any such person, regardless of length of service, who was released from such service before the expiration of the 90 days because of disability contracted by him while in such service in line of duty.'

"(b) Section 3 of such act of June 2, 1930 (38 U. S. C., sec. 365b), is amended by inserting immediately before the period at the end thereof the following: ': *And provided further*, That the provisions, limitations, and benefits of this section are extended to and shall include any person who served 70 days or more during the period beginning April 21, 1898, and ending July 4, 1902, both dates inclusive, as a member of the crew of any vessel or vessels operated under the jurisdiction of the Quartermaster General of the Army for the transportation of troops or military stores, and who was honorably released from such service.' "

And renumber the following section accordingly.

Tax Relief, But for Whom?

EXTENSION OF REMARKS
OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. RABAUT. Mr. Speaker, there has been a lot of whooping and hollering in the aftermath of passage of the administration's new tax bill, but to those of our citizenry who must squeeze the Saturday's groceries out of an already slimmed-down lower-income pay envelope, the celebration takes on some completely different overtones.

When all is said and done and the oratory is finished, we are faced once again, as always, with the hard, cold facts of the matter. And the picture is not a rosy one.

To those who do not fit into the special, selective category of certain businesses and individuals who are helped by this bill—and this first group includes a preponderence of those who earn a yearly income of under $5,000—the term "tax relief" comes as a hollow expression. For the average wage earner, solace must be taken in the thought that a little tax-relief is better than none.

Under the tax revision bill which has just cleared the Congress, and I voted against it down the line, 73 percent of the relief will go to corporations and another 18 percent to those whose incomes are over $5,000 a year. Only 9 percent of the relief will be given to those whose incomes are under $5,000 a year.

Yet 80 percent of taxpayers earn less than $5,000 a year.

Those who comprise a great majority of our population merit only token reductions.

There is a song, a passage of which aptly describes this type of "relief." It goes something like this: "The rich get richer; the poor get poorer." The title of the song is "Ain't We Got Fun!" But it "ain't" funny. Tax reductions ought to be more properly spread, and the net result would be to buttress our economy and to balance more nearly our budget, which in fiscal 1954 operated at a net deficit of approximately $3 billion.

There are some sound and beneficial provisions in the bill which are laudable. But there are others which point out clearly the extent to which the proponents of the "trickle-down" taxation theory are willing to go in serving selected interests. Probably the most obvious of these provisions is that setup by the exclusion and credit against tax for dividend income.

Under that proviso, the first $50 in dividends would be excluded from taxation, and a credit against tax equal to 4 percent of the balance is made possible.

This would mean that an individual with $50 or less in dividends from savings will be entirely exempt from tax on that amount, or an individual with $250 in such dividends would exclude the first $50 entirely, and then reduce his total tax by $8, which is 4 percent of the balance of $200.

Such savings cannot be said to be in favor of the average taxpaying citizen.

It seems only ordinary common sense that the way in which to revive a sagging economy is to make available more consumer purchasing capital with which to buy some of the many products presently gathering dust upon merchants' shelves.

Business needs the proper shot in the arm. Witness this truth in the fact that, in the State of Michigan alone, during the first 5 months of 1954, there were over twice as many failures in business as there were during the same period during 1953.

In the month of May 1954 in our own State, business collapses were approximately 2½ times what they were during the same month in the year previous.

Through the first half of 1954, total failures in our country were 5,624. In the same period in 1953, there were 4,284, which brings the national average increase to 34 percent, considerably less than the Michigan percentage.

There are many reasons for this downturn. Certain losses may be ascribed to error in judgment by business owners. Generally speaking, however, it seems that rising unemployment, smaller take-home by those wage-earners who are working, and the resulting lack of purchasing funds in the hands of the greater majority of people has acted to discourage sales. When sales are slow, inventory moves at an equally slow pace. This results in a correspondingly sharp fall-off in production, and this in turn means unemployment, which starts the circle off again, only at a dizzier pace.

If our economy needs a boost, it should be done in an effective and equitable manner, which, in my judgment, is most wisely accomplished by releasing consumer buying power. This can be done best by an increase in individual exemptions, rather than on the basis on which it has generally been done in this bill. Selective assistance to selected groups makes for injustice, inequity, and ultimately an unhealthy national economy.

There have been claims that this bill will result in a reduction in the national tax burden of approximately $7 billion. Actually, the figures are misleading. The figure comes closer to $1.363 billion. Most of the reduction claimed as part of the larger figure came about by expiration of law of a previous Congress, rather than by affirmative action by the present one.

However, even the lower figure, in view of the selective basis on which it was granted, does not do the job it ought.

I would be acting with a callous disregard of the wishes of the best interests of the many whom I represent were I to go on record in favor of a tax program which necessitates the payment of so much of the cost of Government by so many of those least able to pay.

If we cannot adequately provide this year for the type of tax relief which is so desperately needed, then we should address ourselves to the accomplishment of this task just as soon as circumstances and the limitations of human energy and ability permit.

We must and do dedicate our efforts to making available, at an early date, the effective type of tax relief which our average-income citizens—and they are in the great majority—are lacking at the present time.

H. R. 1227, Known as the Bryson Bill, Should Be Supported

EXTENSION OF REMARKS
OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. REES of Kansas. Mr. Speaker, under permission granted me by the House, I am including a statement I submitted to the House Committee on Interstate and Foreign Commerce on H. R. 1227, being known as the Bryson bill, which would prohibit the advertising of liquor on billboards, in magazines, over the radio, and on television.

It is my view this legislation is of sufficient importance that it should have had consideration in the House.

The statement follows:

Mr. Chairman, I want to express my appreciation for the opportunity of submitting my views with respect to this proposed legislation. I, also, want it known that I support it.

The purpose of advertising is to increase sales. Among other things, the question before us is whether it is in the public interest to increase sales of liquor. We are not dealing with an ordinary object of legitimate trade in this case. The Congress and State legislatures have again and again recognized restrictive laws on the ground that alcohol is a dangerous commodity. Nearly all States recognize that it must be sold under severe restrictions. Every State in the Union, so far as I know, has laws and regulations that are far more strict with the sale of alcoholic beverages than with any other commodity.

We have even recognized the necessity of controlling the sale of alcoholic beverages with respect to advertising. I am sure you know that such advertising is presently subject to some regulation by the Alcohol Tax Unit of the Treasury Department, also, by the Federal Trade Commission. I mention this only to indicate there has been some recognition with respect to such control.

I don't know of anyone who really supports what is known as alcoholism. Nobody, so far as I am advised, believes that alcoholism is good for our people. On the other hand, almost everyone will admit two things—that it is a dangerous commodity and that its sale is on the increase. In this modern age the use of it has become more dangerous. Drunken drivers of automobiles have become a dangerous menace, not only to themselves but to others. Thousands of people lose their lives because of the excess use of alcohol. That situation is growing worse every year. Last year 34 percent of drivers involved in fatal accidents had been drinking. A 10-year study of traffic problems in Cleveland, Ohio, reported alcohol was evident in more than half of the cases studied. Railroad, bus lines, air lines, and other means of transportation recognize alcohol as a killer. They just don't knowingly employ anyone who uses alcohol, even moderately.

About 2 years ago, Dr. Jellinek, an economist of Yale University, who had given years of study to this problem, estimated there were 7 million people in the United States who were either alcoholics or whose lives had

been seriously affected by the use of alcohol and who were in danger of becoming alcoholics. Dr. Andrew C. Ivy, a member of the faculty of the University of Illinois, who had likewise given this problem serious study, put the figure at 7,500,000.

A subcommittee of the Senate has been investigating the problem of juvenile delinquency. A report has recently been submitted stating that since 1948 the number of delinquents has been steadily increasing. They call attention to the offenses committed by boys and girls under 19 years of age. The report indicates that since 1948 the number of juveniles committing these serious crimes has increased as much as 100,000. One of the witnesses who testified before that committee is Irving M. Kriegsfeld who is an outstanding authority on this subject. He said, and I quote: "Early identification with adult behavior results in considerable increased drinking and gambling." Part of this behavior is presented in a glamorous light through Men of Distinction series of advertisements. More of this glamor is presented through advertisements entitled "Homelife in America," being a series of advertisements where every incident of homelife is suggested as a proper occasion for drinking beer.

Dr. Edward Carlton, president of the American Association of Physicians and Surgeons, says the factories of the Nation lose 1 billion man-hours of labor a year because of hangovers. This is just one item of the cost of drink. The expense to American industry is a cost to all of us.

J. Edgar Hoover, in a recent statement, said "the startling increase in juvenile delinquency is largely due to parental failure." He calls it "one of the greatest tragedies of American life." A great share of the parental failure is due to drinking in cocktail lounges by the fathers and mothers of children who roam the streets.

It has always been my understanding that Congress has the police power, not only to attempt to prevent crime, but to guard the health and morals of this Nation. Here is one place where we should discharge our responsibility to help safeguard the American people. If you had 7 million people exposed to typhoid through lack of laws to exterminate mosquitoes and destroy the germ, you would act quickly enough. Here you have more than 7 million people who are a public liability, or in danger of becoming so, and who are a drain on their relatives and upset their families through drinking. You have 400,000 children whose lives are being ruined either directly or indirectly because of the use of alcohol.

It seems to me it is time for this Congress to discharge its responsibility. If people want to drink, that is one thing, but to encourage and insist through advertising in the newspapers, on billboards and over the radio and TV, that it's for their best interest to do so and that they really ought to do it, then I think we are carrying a situation too far.

Mr. Chairman, I would like to call your attention to an article that recently appeared in the local papers. It states that one of the toughest housing problems in the District jail last year was to take care of more than 14,000 drunks. The statement says that the number of admissions for intoxication has more than doubled in 5 years. "Police," the statement says, "could do something else with their time spent last year in arresting 37,000 persons for drunkenness." Officials state that municipal court criminal division would be deprived of 20,000 cases a year, if they could get rid of the drunks. You may be interested to know that in the Gallinger Hospital alone 2,156 persons were treated during 1 year for diseases caused by immoderate drinking. The situation has become so serious in the District of Columbia that it has become necessary to establish courts just to deal with drunk people alone. Incidentally, the number that were treated for alcoholism in one of the hospitals in this city almost doubled in the last 5 years.

It seems strange that we use public funds to try to cure alcoholics, but hesitate to approve legislation to restrict the advertising of a commodity that brings misery, poverty, and even death. A dangerous thing they say, but to restrict the advertising of it is not in the public interest.

There has been what I regard as a weak argument by those opposing this legislation to the effect that many people would be thrown out of employment if this legislation were approved. There are, at least, two answers, one of them is that it must be a poor excuse to say that people need to be employed to produce a commodity that is dangerous and certainly not for the best interests of this country. Furthermore, the millions of dollars that are spent for alcoholic beverages could be used to employ people in doing things worthwhile, building schoolhouses and churches and other buildings and improvements. The annual expenditure of $9 billion for liquor is pure waste. It is more than we spent for our churches last year. It could have been better spent for food, clothing, and other needs of the families that went without these things because the money was spent for alcoholic liquors.

This is a constructive piece of legislation. It ought to be approved. I hope you will report it favorably.

AFL Council Won't Back GOP

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. BENDER. Mr. Speaker, it will not come as news that the American Federation of Labor does not like the Republican 83d Congress. The report of its council finds one bright spot in the picture, despite its jaundiced view of the overall record. In the field of social-security extension, the AFL approves the broadening of old-age coverage and increased benefits. In every other area, national defense, the Taft-Hartley Act, taxation, national economy, and foreign policy, the spokesmen of the A. F. of L. had nothing but harsh words for the 83d Congress.

There is no disposition in Washington to take this criticism lightly. No administration, in recent years, has given harder thought to the overriding issues of national defense and foreign policy. The changes in our military preparations ranging from a concentration upon new weapons and techniques to the authorization of a new Air Academy give ample evidence of this truth. Our constant efforts to amend the Taft-Hartley Act were defeated by the Democrats who refused to accept moderate amendments for political purposes, and the revision of our tax laws to encourage continued expansion of the national economy somehow never satisfy official labor spokesmen, despite their purposes.

The voters will have their opportunity to decide on November 2 between Democrats who cringe before such groups as the A. F. of L. council and the Republican majority which has been seeking to do a balanced, long-term job.

McLeod Offers Excuses in His Report Which Manifest His Unfitness—McLeod Must Go—Have Offered Necessary Amendments to Refugee Relief Act

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. CELLER. Mr. Speaker, I have just finished reading Mr. McLeod's second semiannual report submitted to the Congress on the operations undertaken under the Refugee Relief Act of 1953. I find that this document presents all manner of excuses for the complete failure of the program as envisaged by the President and the Congress, which program was entrusted for his tender consideration. One of the main features of the act was "to rescue escapees from behind the Iron Curtain." The President called the bill an act of humanitarianism, as well as a weapon in the cold war that we are waging against Soviet communism.

I am informed from sources other than McLeod's report that only three escapees from behind the Iron Curtain have actually thus far been rescued for entrance into our country.

Now to the McLeod excuses: Not enough money to hire more special agents, although over $3 million was appropriated for special agents; not enough consular clerks to investigate; and not enough cooperation from foreign governments. But, more significant than that, he reveals his ineptitude, his lack of understanding of human problems, and his failure to appreciate the fundamental purpose of the rescue of victims of communism, by the following statement which appears in his report:

> The Administrator has purposely delayed opening the program to the escapees envisaged in section 4 (a) (3). This delay was intended to give all potential participating countries an equal opportunity to decide whether they wish to share in the program by complying with the statutory requirements. In particular, whether they would issue the certificates of readmission required under section 7 (d) (2) of the act.

Presently there are under dole and care in Austrian and German camps, principally furnished by the United States, 23,000 escapees from Communist persecution. Three months ago there were 17,000. These brave people risking their lives are making the trek across the border in daily increasing numbers. Remember, too, the United States has issued proclamations encouraging their coming. A few South American countries have drained off some of them. But delay in the implementation of this

program is fatal and is a complete nullification of the intention of the act.

McLeod must go.

The Refugee Act of 1953 was 1 year old on August 7 and on that day Mr. McLeod reported to the Congress that he had issued 7,287 visas out of the 209,000 authorized by the law, to be issued abroad. At this rate it will take the "able" administrator exactly 27 years to bring to the United States the authorized number of refugees. Furthermore, of the 7,287 visas issued, only about 2,100 persons have actually arrived in the United States. This is about 1 percent of the total number of permissible refugees. At such rate it would take a hundred years to carry out the program.

For the breakdown of his operations, among other excuses, he points to the reluctance of the countries affected to issue certificates of readmission in the event that the refugee is found to be excludable. Of course, countries have not cooperated with him not only because they do not wish to commit themselves for the long period required but also because of his arbitrary methods. He insists upon having his men range over Italy and Greece and other lands acting like local "cops" in examining the prospective applicants as to their habits and associations. The countries resent such invasion of their sovereignty.

He attributes his failure to the "overburdened officers of the Department who recruit and clear investigative personnel." He has spent so much time having investigators investigate investigators that he has nothing to show for 1 year's work. He insists upon more appropriations for more men. Is it that he wishes to build up a huge political machine? His men must be partisans of his party.

Scott McLeod must go.

He has revealed his own unfitness as administrator of the refugee program.

I have this day offered a bill to give the President the power, by and with the advice and consent of the Senate, to dismiss McLeod and appoint a new administrator for a term ending April 1, 1957. The bill also permits the filing of assurances of jobs and homes by recognized organizations, such as religious groups and special commissions appointed by governors, for the purpose of resettling refugees. Such a commission was already appointed by Governor Dewey, and President Eisenhower urged last week that the remaining 47 Governors follow suit. The requirement that every refugee admitted under the law would have to be in possession of a certificate entitling him to return to the country from which he is entering the United States, would be eliminated. The present administrator has required that such certificates have unlimited validity and most of the overseas countries are, of course, reluctant to commit themselves to take a refugee back after being in the United States 10 or maybe 15 years.

Presently individual assurances must be given guaranteeing a job and a home in the United States. In all refugee bills passed heretofore, blanketed assurances for jobs and homes were given by welfare and religious organizations. No trouble ensued. McLeod in his administration of the act has required individual assurances guaranteed by welfare organizations. The individual assurances are hardship enough but by demanding that they be supplemented by assurances of welfare organizations as well, McLeod muddied the waters and made confusion worse confounded.

Iowa Approves Attorney General Leo A. Hoegh's Endorsement of President Eisenhower's Loyalty Program

EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. MARTIN of Iowa. Mr. Speaker, on July 26 some remarks were inserted on page 12026 of the CONGRESSIONAL RECORD by Mr. GEORGE RHODES, of Pennsylvania, under the caption "The Big Lie Technique" which were an attack upon Leo A. Hoegh, attorney general of Iowa and Republican candidate for Governor of Iowa, charging that statements made by Attorney General Hoegh were false. The statements in question referred to by Mr. RHODES had reference to the record of the Eisenhower administration in ferreting out certain Government workers and Mr. RHODES undertook to place a spotlight on the word "disloyal" rather than upon the fact of the dismissal, resignation, or general riddance of employees who are generally labeled "security risks."

Mr. RHODES' inserted statement created little notice in Congress and only passing comment in a few Iowa newspapers but that is not at all surprising because the people of Iowa, both Republicans and Democrats, know and thoroughly understand and trust Leo Hoegh for his outstanding record as attorney general of Iowa and for his general reputation for honesty, truth, and veracity, and for his devotion to highest principles.

The entire controversy over the number of Federal employees removed or dropped or resigned has grown out of the development of law and Executive orders enacted and issued to protect our Nation against offenses that jeopardize our national security.

President Eisenhower approved Executive Order No. 10450, to consolidate the so-called Federal employees' loyalty program, which existed under the previous administration, with the security risk removals process authorized under Public Law 733. In his security order President Eisenhower established the criteria upon which a determination is to be made as to whether the employment or retention in the Federal service of any person is clearly consistent with the national security.

As testified by Philip Young, chairman of the United States Civil Service Commission, on the employee security program, before the Senate Post Office and Civil Service Committee, March 2, 1954:

> There has been in recent years a mounting public distrust of Government employees based on disclosures that unsatisfactory persons at various times have held Government positions of a highly sensitive nature. The old loyalty program which had been in effect for almost 6 years by January 1953, had done little to allay this distrust. Clearly, increased public respect for the Government service depended on greater assurance that no person would be hired or retained in a Government job unless his employment was entirely consistent with national security.
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> Under the previous administration an attempt was made to grapple with this problem through the operations of the Federal employees loyalty program, which was established by Executive Order No. 9835 in 1947. However, the system of adjudication under this program was intricate, time-consuming, and sometimes, in the final analysis, inconclusive.
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> As time went on, it had become apparent that the original standard under the loyalty program was not adequate for dealing with cases of suspected disloyalty. The original standards used for refusal of employment, or removal from employment, on grounds relating to loyalty was "reasonable grounds for belief that the person involved is disloyal." On April 28, 1951, by Executive Order No. 10241, President Truman changed the standard to "a reasonable doubt as to the loyalty of the person involved."

Public Law 733 was enacted by the 81st Congress in 1950 and President Eisenhower's Executive Order No. 10450 was issued April 27, 1953, establishing the present security program.

Quoting Philip Young's testimony further:

> President Eisenhower, in his state of the Union message of February 2, 1953, to the 83d Congress, said: "The safety of America and the trust of the people alike demand that the personnel of Federal Government be loyal in their motives and reliable in the discharge of their duties. Only a combination of both loyalty and reliability promises genuine security."
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> He further stated: "The heads of all executive departments and agencies have been instructed to initiate at once effective programs of security with respect to their personnel," and added that the Attorney General would advise and guide departments and agencies in the shaping of these programs.
>
> In applying these principles set forth by President Eisenhower, it was decided to broaden the application of the statutory authority which the 81st Congress had given the President in Public Law 733 of 1950. Therefore, the President, by Executive Order 10450 of April 27, 1953, established a Government-wide employee-security program, based on the authority and the approach set forth by the Congress in Public Law 733, and abolished the old loyalty program.
>
> The basic objective of the employee-security program is to make sure that there is no employee on the Federal payroll nor any applicant appointed who can, because of his position, endanger the national security. The American people must be assured that the Federal employees are persons of integrity, high moral character, and unswerving loyalty to the United States.

The various offenders guilty of subversive action, sex perversion, felonies or misdemeanors, or various other causes, come squarely within the program established by Congress and by President

Eisenhower, and the important thing is the determination and proven effectiveness of the Eisenhower administration to carry out that loyalty program. That program meets with the unqualified approval of the people throughout the entire country. From my extensive personal contacts, I know that the people of Iowa approve most enthusiastically the program that is now being carried out so effectively by President Eisenhower and I know that the people of Iowa also approve enthusiastically the endorsement of President Eisenhower's program by Attorney General Hoegh. The people of Iowa will not be swayed by any effort to distract by quibbling over definitions.

The Need for a Constitutional Amendment Relating to Treaties and Executive Agreements

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. SMITH of Wisconsin. Mr. Speaker, as this session of Congress is about to close, I want to express my very deep disappointment that the so-called Bricker amendment failed to pass the Senate by the narrow margin of one vote. Notwithstanding this defeat the fight for a constitutional amendment affecting treaties and executive agreements must go forward.

I was encouraged to note, Mr. Speaker, that last week the distinguished senior Senator from Ohio, Mr. BRICKER, has again introduced a proposed constitutional amendment which would, in effect, meet the objections to treaties and secret agreements secretly arrived at.

The so-called Yalta agreement is only one of thousands of executive agreements that are supplementing treaties, closing deals and commiting the United States, throughout the world, in such a way that the American people do not even know what is going on. Certainly Congress has not been consulted as it should have been. The amendment proposed by Senator BRICKER and which he has promised to reintroduce immediately at the start of the new Congress in January will go far to educate our people as to the dangers that lurk in these treaties and secret agreements.

It has been said that treaties to be valid must be approved by the Senate but, Mr. Speaker, it is well known that only a few of these treaties have actually been submitted to that body. At Yalta where President Roosevelt committed this country to approve tremendous concessions for Russia, it was all a simple, informal deal between the heads of state that were meeting in the Crimea. Much of the understandings between these heads were kept secret and only now are reaching the people in piecemeal fashion. This is true also of the unfortunate Potsdam Conference immediately after the war where Mr. Truman was compelled to consummate the understandings at Yalta which by their very terms permitted Russia to loot the industrial potential of Germany. Not long thereafter the American taxpayer was called upon to furnish the money to replace and rehabilitate this very industrial equipment that had been removed by Russia and sent into Iron Curtain countries.

Mr. Speaker, it is now known that when the large United States air bases were being contemplated and constructed in North Africa, Congress had little knowledge of what was going on. When the North Atlantic Treaty Organization came into being, it has been admitted by the Department of State that as the result of that agreement, some 10,000 other agreements have been made committing the United States to all forms of obligations.

It is not difficult to understand the overwhelming attitude of the American people today when they protest the use of secret agreements in furthering foreign policy. Many of the national polls that have been taken, indicate that the people are demanding protection against secret agreements, by appropriate constitutional amendment. They want all doubt removed in this matter so as to avoid future Yaltas.

Mr. Speaker, in support of the argument that I have been making for a Bricker amendment, I call attention to the fact that in 15 years there have been issued about 200 formal treaties which have had the attention of Congress. This goes back to a period beginning in 1939. On the other hand, some 1,400 Executive agreements have come to light but Secretary of State John Foster Dulles has admitted that there have been thousands of unpublished agreements since World War II. This is indeed a situation that demands prompt attention by the Congress and the hearty support of the American people generally.

Mr. Speaker, it seems strange to me that the Department of State would admit that there are many unpublished secret agreements when, as a matter of law, the Secretary of State is required to publish all treaties and executive agreements. As early as 1895, such a law was enacted by the Congress and amended slightly in 1936 and in 1938. The last amendment, however, was Public Law 821 of the 81st Congress, approved on September 23, 1950, which provided for the publication of treaties and other international agreements, separately from the Statutes at Large. Here is the provision of that law:

> The Secretary of State shall cause to be compiled, edited, indexed, and published, beginning as of January 1, 1950, a compilation entitled "United States Treaties and Other International Agreements" which shall contain all treaties to which the United States is a party that have been proclaimed during each calendar year, and all international agreements other than treaties to which the United States is a party that have been signed, proclaimed, or with reference to which any other final formality has been executed, during each calendar year.

Mr. Speaker, upon the convening of the 84th Congress, this matter of secret treaties and secret agreements is a matter of unfinished business. It should have the immediate attention of the new Congress.

Americans United in Opposition to Seating of Red China in the U. N.

EXTENSION OF REMARKS

OF

HON. CHARLES J. KERSTEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. KERSTEN of Wisconsin. Mr. Speaker, because of the loud talk of a few leftwingers and Communists it might not be generally realized throughout the world that virtually all Americans are unanimous in their opinion that Red China should not be seated in the U. N.

Recently, more than a million Americans signed petitions against the admission of Red China into the U. N.

On July 15, 1954, the House of Representatives adopted H. R. 627 by a vote of 281 to 0. House Resolution 627 reads as follows:

> *Resolved*, That the House of Representatives reiterates its opposition to the seating of the Communist regime in China as the representative of China in the United Nations or any of its specialized agencies and supports the President in his expressed determination to use all means to prevent such representation.

And on July 29, 1954, the Senate of the United States, by a vote of 91 to 0 again expressed its opposition to the admission of Red China into the U. N. The measure which the Senate acted upon reads in part, "The Congress hereby reiterates its opposition to the seating of the Communist regime in China as the representative of China."

President Eisenhower, at a press conference on July 7, stated:

> I am completely and unalterably opposed under the present situation, to the admission of Red China into the United Nations. I personally think that 95 percent of the population of the United States will take the same stand.

The President went on to explain his position further:

> Red China is today at war with the United Nations. They were declared an aggressor by the United Nations, in the Assembly. That situation has never been changed.
>
> They are occupying North Korea; they have supported this great effort at further enslavement of the people of Indochina; they have held certain of our prisoners unjustifiably, and they have been guilty of the employment of the worst possible diplomatic deportment in the international affairs of the world.
>
> Now, how can the United States, as a self-respecting Nation, doing its best in conformity with the moral standards as we understand them, how can we possibly say this government should be admitted to the United Nations?

The American people have lost 33,417 of their youth killed in the Korean war and have had an additional 108,650 wounded. These 142,000 casualties will forever be a vivid reminder to the American people of the true nature of the Chinese Communist regime.

But American opposition to Red China is not solely an emotional response to this great loss—it is based on the U. N. Charter itself. Article 4, section 1, states:

Membership in the United Nations is open to all other peace-loving states which accept the obligations contained in the present Charter and, in the judgment of the organization, are able and willing to carry out these obligations.

This section clearly indicates that membership in the United Nations is not to be open to all nations but rather only to peace-loving states. The very word united in the United Nations implies that the nations are united as to its objectives and are not merely an assembly of all states.

Secretary of State John Foster Dulles aptly expressed this position when he stated:

The United Nations was not set up to be a reformatory. It was assumed that you would be good before you got in and not that being in would make you good.

Secretary Dulles explained this point in his press conference on July 8, 1954, as follows:

The record of the Chinese Communist regime is such that it is, in my opinion, clearly not qualified to be seated in the United Nations.

Let me, if I may, elaborate that a bit. I recall from the days at San Francisco in 1945, when the charter was drawn, that there was at that time a very considerable argument on whether the United Nations should be a universal body which would represent all the governments of the world, good, bad, or indifferent, or whether membership should be on a selective basis. That was strongly argued at San Francisco and the proponents of selectivity won. That is reflected by the provision in the charter that members should be peace-loving and able and willing to discharge their obligations under the charter. That is strengthened furthermore by the provision that any nation against which enforcement action was taken should be liable to suspension from membership in the United Nations. In other words, the United Nations was not set up to be a reformatory. It was assumed that you would be good before you got in and not that being in would make you good.

The United States, basing itself on the principles of the charter, which are clear, takes the position that the Communist regime is disqualified by its consistent record of opposition to the principles of the United Nations. In Korea it carried on war against the United Nations. At the Geneva Conference it continuously donounced the United Nations. It has been the subject of enforcement action recommended by the United Nations. In southeast Asia it promoted aggression. All of these facts combine to make a case such that we do not believe that the requisite vote can be found to admit the Communist regime to represent China in the United Nations.

This strong opposition of the American people to the admission of Red China to the U. N. is not based on any dislike or distrust of the U. N.; rather it is based on a strong desire to make the U. N. really effective. The American people realize that if Red China were admitted to the United Nations it would be as Senator ALEXANDER WILEY, chairman of the Senate Foreign Relations Committee stated in the United States Senate, "a death blow to that organization."

Senator WILLIAM KNOWLAND, of California, the majority leader of the Senate, feels so strongly on this subject, that on July 1, 1954, he stated in the Senate:

On the day when Communist China is voted into membership into the United Nations, I shall resign my majority leadership in the Senate, so that without embarrassment to any of my colleagues or to the administration, I can devote my full efforts in the Senate and throughout the country to terminating United States membership in that organization and our financial support to it. My conscience would not permit me to remain silent or inactive if this last grand appeasement takes place.

Similarly, Senator LYNDON B. JOHNSON, of Texas, the minority leader in the Senate, stated on July 2, 1954:

The American people want no appeasement of the Communists.

Second, the American people will refuse to support United Nations if Communist China becomes a member.

A perusal of the United Nations Charter, would demonstrate to anyone that this organization would commit suicide if it admitted Red China to its body.

Article 2, section 2 of the U. N. Charter states:

All members, in order to insure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present charter.

Would anyone seriously contend that Red China would fulfill its obligations under the charter in good faith?

Article 2, section 3, of the U. N. Charter states:

All members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

Article 2, section 4, of the U. N. Charter states:

All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

Who would seriously suggest that Red China will refrain from the threat or the use of force against the territorial integrity or political independence of any other state?

Article 2, section 5 of the U. N. Charter reads:

All members shall give the United Nations every assistance in any action it takes in accordance with the present Charter and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

Not only is Red China not assisting the United Nations in its actions but it is the very subject against which the United Nations has taken action and branded as an aggressor in Korea. It has not only not refrained from giving assistance in the battle against war in South Korea, but has been the instigating force of that war.

These are the principles of the U. N. Charter: For what purpose shall the U. N. continue is existence if it ignores these principles? The admission of Red China to the U. N. would be a complete perversion of these principles and of the U. N. itself. Could the U. N. possibly retain the respect of any rational person if it admits to its membership this wanton aggressor and destroyer of its own people?

There is no indication to this date that the Red Chinese regime is representative in any way of the Chinese people. It has no claim to legitimacy. This regime is neither a government nor is it legitimate. It consists solely of a band of gangsters who have seized the trappings of government and are using it as a club to make its own people obey its dictates, having slain millions of its own people in the attempt.

Mr. Walter P. McConaughy, Director of the Office of Chinese Affairs in the United States Department of State, expressed the United States attitude toward the Red Chinese regime when he explained in the Department of State Bulletin of January 11, 1954, the reasons for American refusal to recognize the Chinese Communist regime. Mr. McConaughy there stated:

To start with, let us take a look at the four generally accepted criteria which a new regime ordinarily must meet before its recognition as a legitimate government and its acceptance into the sisterhood of nations. These four criteria are (1) effective control over the territory of the country; (2) sovereign independence; (3) truly representative character—something in the nature of a mandate from the people governed, or at least their consent without coercion; and (4) acceptance of its inherited and generally recognized treaty and other international obligations and adherence to a pretty well established minimum standard of decency in its treatment of foreign nationals and interests within its borders.

Of these four criteria it would seem that the Peiping regime meets only the first and that is perhaps the least essential of the four.

Repeatedly we have recognized governments in exile which could not meet the first criterion. But it would be a serious matter to overlook the other three tests.

The Chinese Communists do not measure up under any of them. They are subservient to Moscow and international communism; they impose an alien minority rule by force and falsification on an intimidated, isolated and misinformed populace; and they openly flout every Chinese treaty obligation, every principle of the U. N. Charter, and every clause in any reasonable formulation of human and property rights for aliens.

Mr. McConaughy also offered strong practical reasons against recognition of Red China. These arguments apply with equal force with respect to admitting Red China to the U. N. Mr. McConaughy stated:

On grounds of international law, the case against recognition is very strong. On practical grounds, the argument is equally strong.

Recognition has assumed a political and psychological significance which is new. It has become a symbol. Recognition in this case would mean in the eyes of millions, especially in Asia, not necessarily approval but acceptance, accommodation, and reconciliement.

Nonrecognition means refusal to accept the Communist triumph as definitive. It means to many that the will to resist Communist expansion is alive; that communism is not the inevitable "wave of the future" for Asia; that communism is not assured of acceptance and legitimation in every country where it may gain a beachhead; that our Asian friends who have the courage to stand

up against communism will not have the ground cut from under their feet if communism should attempt to subvert or take over their native land.

Some may be unable to see why the recognition issue should signify all this; but the fact is that it does to many Asians; including numbers who are on the fence. Many an Asian has told me that American nonrecognition of the Communist regime in Peiping has had much to do with checking the impetus of the Communist advance in Asia.

Even Chinese who are not particularly in sympathy with the Chinese Nationalist Government tell us that recognition of the Communist dictators in Peiping would be the greatest single nonmilitary triumph for the Communist cause and the hardest psychological blow against the will to resist the further spread of communism that could be devised.

It would be an unthinkable betrayal of the Chinese Government and its people on Formosa and likewise a grave disservice to the mass of Chinese people on the mainland suffering under Communist dictatorship. Our friendship for them shall not waver, and it demands that we shall not strengthen the hand of their oppressor.

The Communist side is becoming increasingly aware of the immense political and psychological advantages, as well as the parliamentary advantages in the United Nations, which could be obtained from general worldwide recognition of the Peiping regime. Hence we are beginning to see a series of maneuvers out of Moscow and Peiping designed to force the general international acceptance of Mao Tse-tung regime as the legitimate government of China, entitled to occupy China's seat in the United Nations. This endeavor must be resisted.

The argument has been made by some that if we object to the admission of Red China into the U. N. why do we not object to the presence of the Soviet Union in the U. N. I, for one, of course, have continuously advocated that we should take measures to expel the Soviet Union from the U. N. precisely because it has violated the U. N. Charter, particularly article 2, section 5, which I have quoted above. However, even though one does not advocate the expulsion of the Soviet Union from the U. N., it does not necessarily follow that it is therefore desirable to admit Red China. We are well aware of what type of regime the Red Chinese are. Any act leading toward its admission to the U. N. would be done in the face of our actual knowledge of its treacherous character.

But when the United Nations was formed it was believed by many people that the Soviet Union was a peace-loving state; that it was able and willing to carry out the obligations of the charter; that it would attempt to settle its international disputes by peaceful means; that it would refrain from the threat or use of force against the territorial integrity or political independence of any other state; that it would assist the United Nations in its actions and that it would refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action. It was seriously believed by many that the Soviet Union would become a true partner in the U. N. and live up to its provisions. It was on that very assumption that they were brought in as one of the founders of the United Nations. We now well know, that the Soviet Union got into the U. N. by reason of its guile and the free world's gullibility. Now that it is in, it is difficult to expel it.

But however that may be, because we have made a serious mistake once is no reason to make the same serious mistake again. The U. N. cannot admit Red China, knowing its true character, without thereby denying the very purpose of the U. N.'s existence.

The American people feel a strong bond of friendship with the Chinese people. The Chinese people and the Nationalist Government were strong and faithful allies of the United States in its war against Japan. The American people know that the Chinese Nationalist Government is more representative of the Chinese people than the Chinese regime could ever be. We know that this dark hour in Chinese history will pass and that China will again be free and a sovereign nation.

These American hopes for China were expressed on February 26, 1954, by Mr. Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs, in an address he made on the occasion of the transfer of two United States destroyers to the Republic of China, at Charleston, S. C. Mr. Robertson on that occasion stated:

It is for all these reasons that no wish is closer to the heart of the American people than that China shall be herself again. It is in witness of that hope that two American destroyers today are being transferred to the Chinese flag. These vessels are symbols of our abiding faith in China and of our conviction that China will again, as always in the past, prove stronger than the alien intruder. We believe these ships will contribute to bringing nearer the day when China will belong unreservedly to the Chinese. In passing to the command of the Republic of China, they go to strengthen a government that is at once a symbol and a fruit of the inextinguishable Chinese spirit.

Recently, 14,000 Chinese prisoners of war in Korea, by choosing to forsake the ties of family and community in order to live under a truly Chinese flag, exposed the fraudulence of the claims of the authorities in Peiping to speak with the voice of China. The passionate determination of so many soldiers from their command not to return to Communist rule clearly came as a great shock to those authorities. It did not surprise us in the least. There has never been any question in our minds as to how the Chinese people would choose if given the choice between a government rooted in Chinese traditions and one that has made of China a handmaiden of an alien imperialism. It is because of what we know of the Chinese people's ability to endure the most malignant fortune without being crushed by it or surrendering to it that we have no doubt of the outcome of China's present travail.

Long Range Versus Short Sight

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. BENDER. Mr. Speaker, out of the conflicting reports and developments of the congressional sessions has come at least one clear-cut picture of the differences which will be carried by the political parties into the November elections. For the first time in 20 years, a Republican-dominated program was presented to the Congress and substantially adopted. The Democrats, who had gloated for two decades over the failure of the Republicans to develop an outline of legislative opposition, found themselves in the same position and showed little, if any, legislative direction or strength.

As a direct result of this reversal of positions, the Democrats found themselves engaging in forensic rear-guard actions, futile maneuvers, and presented only occasional stopgap suggestions of little serious merit. Often they directed exclusive attention toward election issues as distinguished from vital national considerations. Their sights seemed bounded by November, where Republican efforts were focused on the long-range objectives of national policies, foreign and domestic. The coming months will determine whether or not the long-range view is better than the short sight.

The Drys' Iron Curtain With Holes

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1954

Mr. CELLER. Mr. Speaker, what did a congressional committee do when it was faced with a patently absurd bill which carried favor with a self-appointed guardian group of public habits? What did it do to appease the prodding and pressure of the self-righteousness who in the name of temperance exhibited all the tantrums of the intemperate? It ducked and dived around the issue, it bared its teeth but did not bite, it cloaked its lack of conclusions by shifting the burden to other groups and ended up by declaring, "We didn't say 'Yes' and we didn't say 'No'."

This is exactly what happened when the Committee on Interstate and Foreign Commerce was confronted with the Bryson bill, H. R. 1227, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages by mail, newspaper, periodical, newsreel, photographic film, or record for mechanical reproduction, and the broadcasting of such advertisements by radio and television. By some inadvertence, no doubt, skywriting and match covers were not included. After 500 pages of testimony, the committee concluded that the issues "require further consideration and more detailed information." This is what I call the "hot coal" formula. You lift, drop, and blow. The other formula adopted in the report is the well-known dodge of "chestnuts-in-the-fire." Let the other fellow do it for you. The whole problem: foam, froth, and hop, is poured into the funnel

of the radio and television industries. The sound of running is heard all through the Nation as the committee, playing straight man to the fall guy, reports:

The committee feels that it is incumbent upon the radio and television industries, in their own enlightened interest, to give serious consideration to the widespread complaints with reference to the alcoholic beverages over their media and to take immediate steps to meet these complaints.

The next step in the "you-do-it-not-me game" is the stern admonition, the straight father-to-son talk. "The committee, therefore" ends the report, "feels justified in requesting that the radio and television industries submit to this committee by January 1, 1955, a report as to the steps already taken, and proposed to be taken, to cope with this problem. We expect the wholehearted cooperation of all concerned in arriving at a satisfactory solution to these vital issues." Do I detect the glimmer of a threat?

Now, if I were a member of the radio and television industry, I would find myself questioning why was such request thrown at our industry and not at newspapers and magazines? Discrimination, I would cry. Is a puzzlement. Is an advertisement of wine or beer less corrupting when viewed with the morning coffee than when Willie Mays hits a triple? Or is not the radio and television industry expected to hit back as would the newspapers? Or is it because the radio and television industry is much younger and more easily frightened? Or is it because the human voice entices more effectively than printed prose?

There is another soulful bit in the report to which I call your attention:

The committee takes cognizance of the fact that the distilling industry has adopted a policy of refraining from advertising its products over radio and television. This fact creates the thought that consideration could profitably be given by the beer and wine industries to the possibility of eliminating or curtailing their advertising over radio and television.

Oh, the virtues of circumlocution and timidity. Not the gingerly approach: "This fact creates the thought that consideration could profitably be given." The committee could not say directly and forthrightly, "Let the wine and beer industry do likewise." The intelligence not fogged by the fanaticism of the prohibitionist knows how absurd is the policy adopted by the distilling industry.

Is man but an empty vacuum bottle into which an advertisement can be poured and he immediately drops his restraints, his balance, and his sense of proportion? Does a jingle like "XYZ is a hearty beer, mellow, frothy, clean, and clear" change the prudent habits of a lifetime? Since when is a picture of a family supper with wine or beer at a table a picture of dissoluteness, invitation to crime or excess? He beholds evil who thinks evil.

There are those unfortunate and piteous souls who would drink to excess if there were not a newspaper, radio, and television advertisement to be spied anywhere in the world.

Let the prohibitionists turn their energies toward the problems of the causes of alcoholism, insecurity, poverty, social maladjustments, problems that need to be attacked with all the energies at our command. I am sure the alcoholic beverage industries would gladly join hands with them in an effort to find cause and cure, medically and psychiatrically. This is a recommendation to which the committee could have lent its signature and support. Instead, here we have an attempt to intimidate the wine and beer industry, threaten the radio and television industry, and belittle the intelligence of temperate men and women by suggesting that the viewing of radio and television advertising of beer and wines is the first major step toward Skid Row.