SENATE

FRIDAY, FEBRUARY 25, 1955

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

Father of all mankind, whose love no manmade barriers can shut out, as this day we ascend the world's great altar stairs sloping through darkness up to Thee, we would stretch out lame hands and with our fallible requests come not with a philosophy of prayer, but in the practice of this greatest of all powers which, as with golden chains, ties our human race around the throne of the eternal. On this world day of petition we would join our aspiring desires with those of Thy children under all skies—

"As o'er each continent and island
The dawn leads on another day,
The voice of prayer is never silent,
Nor dies the strain of praise away."

With all dividing walls down, with no curtain separating us from those who call on Thee in all lands, we pray for the leaders of this sadly sundered world, that they may be guided by the spirit of the one God over all. We pray for the millions of God-fearing people who look up to Thee even as they are bound with the shackles of a temporary tyranny. We pray for those in the captive lands who strive and struggle patiently, who suffer silently, as their ruthless leaders endeavor to put out their altar fires.

We thank Thee for the inner shrine in human hearts where blaze the candles of faith which no iron fingers can blot out. And for our America, whate'er our name or sign, create in us clean hearts, O God, and renew right spirits within us. And on this day of prayer which encircles the globe, make our hearts the altars and Thy love the flame. We ask it in the name of the Elder Brother of all men. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 23, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, informed the Senate that, pursuant to the provisions of title 16, section 513, United States Code, the Speaker had appointed as members of the National Forest Reservation Commission, on the part of the House, Mr. COLMER, of Mississippi, and Mr. COON, of Oregon.

The message announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3828) to adjust the salaries of judges of United States courts, United States attorneys, Members of Congress, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER of New York, Mr. WALTER of Pennsylvania, and Mr. REED of Illinois were appointed members on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2581. An act to promote the national defense by authorizing the construction of aeronautical-research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research;

H. R. 3952. An act to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and

H. R. 4048. An act making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 2581. An act to promote the national defense by authorizing the construction of aeronautical-research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; to the Committee on Armed Services.

H. R. 3952. An act to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

H. R. 4048. An act making recommendations to the States for the enactment of legislation to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes; to the Committee on Rules and Administration.

LEAVE OF ABSENCE

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the senior Senator from Washington [Mr. MAGNUSON] be given leave of the Senate until Tuesday, March 1, in order that he may attend the joint session of the Washington State Legislature which is to honor him on his 25th anniversary as a distinguished public servant.

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

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. GORE, and by unanimous consent, the Subcommittee on Roads of the Committee on Public Works was authorized to meet during the session of the Senate today.

Mr. KILGORE. Mr. President, I ask unanimous consent that the Committee on the Judiciary may meet this afternoon during the session of the Senate, for the purpose of concluding hearings on the nomination of John Marshall Harlan to be a Justice of the Supreme Court. For the information of the Senate, and in order to enable members of the Committee to be present at the meeting promptly, I wish to say that the meeting will start immediately.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and other routine matters. I ask unanimous consent that the Senate operate under a 2-minute limitation with reference to statements made in connection therewith.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

EXAMINATION PRELIMINARY TO PROMOTION OF OFFICERS OF NAVAL SERVICE

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to provide for the examination preliminary to promotion of officers of the naval service (with an accompanying paper); to the Committee on Armed Services.

REPORT ON WITHDRAWALS OF CERTAIN PUBLIC LANDS

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the withdrawals of certain public lands, for the calendar year 1954 (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Georgia; to the Committee on the Judiciary:

"Resolution memorializing Congress to call a convention for the purpose of considering an amendment to the Constitution of the United States relative to the administration by the several States of their respective school systems

"Whereas recent decisions of the Supreme Court of the United States have tended to withdraw from the sovereign States the power to administer their respective school systems in a fashion never contemplated by the ratifiers of the 14th amendment; and

"Whereas this unconscionable usurpation of power, if not restricted, will ultimately result in the destruction of every vestige of State-supported and regulated public education: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That the General Assembly of Georgia respectfully petition the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"'ARTICLE —

"'SECTION 1. Anything in this Constitution to the contrary notwithstanding, the several States shall have exclusive authority to

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regulate, administer, and operate their respective educational systems as they may deem necessary and proper, and neither the Congress, the President, nor anything in this Constitution shall in anywise interfere therewith or otherwise affect the same.

" 'SEC. 2. The Supreme Court, the several district courts and courts of appeal, and any and all other Federal judicial tribunals, quasi-judicial tribunals, and all administrative or executive agencies, shall have no jurisdiction to decide or consider, either originally, on appeals, or by other means of review, any matter drawing in question the administration by the several States of their respective educational systems'; be it further

"*Resolved*, That the Congress of the United States be, and it hereby is, requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes, as part of the Constitution of the United States, when ratified by the legislatures of three-fourths of the several States; be it further

"*Resolved*, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from the State of Georgia; be it further

"*Resolved*, That a duly attested copy of this resolution be immediately transmitted to the Governor of every State and the president of the State senate of every State and the speaker of the house of every State for the express purpose of encouraging these sovereign States to take similar action in their legislatures.

"MARVIN E. MEATE,
"*Speaker of the House.*
"JOS. BOONE,
"*Clerk of the House.*
"S. ERNEST VANDIVER,
"*President of the Senate.*
"GEORGE D. STEWART,
"*Secretaary of the Senate.*

'Approved this 29th day of January 1955.

"MARVIN GRIFFIN,
"*Governor.*"

A resolution of the Legislature of the State of Nebraska; to the Committee on Appropriations.

"Legislative Resolution 10

"Re memorialization of Congress to appropriate sufficient funds to complete Glendo Dam in 1957

"Whereas the United States Bureau of Reclamation, Department of the Interior, is presently constructing Glendo Dam on the North Platte River in the State of Wyoming for the purpose, among others, of furnishing supplemental storage water for irrigated lands in eastern Wyoming and western Nebraska; and

"Whereas a contract for construction of said Glendo Dam has been awarded, which contract provides for completion of the dam in early 1958; and

"Whereas the contractor has indicated a willingness, without any increase in the cost of the work, to prosecute the work as rapidly as available funds will permit, and to complete the dam 1 year earlier than scheduled if sufficient funds are provided; and

"Whereas the earliest possible completion of Glendo Dam is of the utmost importance in order to relieve a critical water shortage in the North Platte Valley of eastern Wyoming and western Nebraska, which shortage endangers the general economy of the area and threatens the security of hundreds of farm families; and

"Whereas the accelerated completion would not only make storage water available 1 year earlier without any increase in cost to the Government but would actually result in benefits to the Government, including increased revenues from sale of electric energy and lower costs of supervising the work: Now, therefore, be it

"*Resolved by the members of the Nebraska Legislature in 67th session assembled:*

"1. That the 84th Congress of the United States be memorialized to provide appropriations for Glendo Dam in such amounts as may be necessary to support a construction program designed to complete said Glendo Dam in 1957 instead of 1958 as presently planned.

"2. That copies of this resolution, suitably engrossed, be transmitted by the clerk of the legislature to the Vice President of the United States as presiding officer of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each Member from Nebraska in the Congress of the United States.

"C. J. WARNER,
"*President of the Legislature.*"

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

"Resolutions memorializing Congress against passing legislation reducing tariff rates on textile imports from foreign countries

"Whereas the textile industries in Massachusetts are being affected economically by legislation favorable to textile imports from foreign countries; and

"Whereas the continuance of the textile industry in the Commonwealth is essential to its economic development; now, therefore, be it

"*Resolved*, That the House of Representatives of the Commonwealth urges the Congress of the United States not to pass any legislation granting a decrease of tariff rates on textile imports from foreign countries; and be it further

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

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Appropriations:

"Senate Joint Memorial 4

"*To the President of the United States, the Congress of the United States, and the Delegate to Congress from Alaska:*

"Your memorialist, the Legislature of the Territory of Alaska, respectfully submits that:

"Whereas the national laws provide that each State containing a national forest is entitled to receive as a payment in lieu of taxes on such forest lands an amount equal to 25 percent of the proceeds from timber sales, such payments to be used for the support of schools and roads in national forest areas; and

"Whereas by special act of Congress, applicable only to Alaska and no other Territory or State of the United States, the proceeds from timber sales in the Tongass National Forest have been impounded in the United States Treasury and are not available for regular distribution to Alaska; and

"Whereas the amount of money so impounded on October 1, 1954, totaled $1,428,662.96 of which the Territory was properly entitled to the sum of $357,165.74; and

"Whereas the amounts received from such timber sales are increasing due to the development of the forests of Alaska, and the annual amount to which Alaska is rightfully entitled on the same basis as all other Territories and States would be of benefit to the programs for schools and roads in Alaska; and

"Whereas the amounts impounded have been set aside, and should be kept available, for the settlement and proper determination of the entitlement of natives of Alaska to such lands in the Tongass National Forest.

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska in 22d session assembled, respectfully urges that the Congress appropriate an amount equal to 25 percent of the amount of Tongass timber receipts now impounded; and that, hereafter, the Congress annually appropriate an amount equal to 25 percent of the Tongass timber receipts impounded in each preceding year.

"And your memorialist will ever pray.

"Passed by the senate February 2, 1955.

"JAMES NOLAN,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"Passed by the house February 10, 1955.

"WENDELL P. KAY,
"*Speaker of the House.*

"Attest:

"JOHN T. MCLAUGHLIN,
"*Chief Clerk of the House.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Public Works:

"House Joint Memorial 5

"*To the President of the United States, the Secretary of Commerce, the Secretary of the Interior, the President of the Senate of the United States Congress, the Speaker of the House of the United States Congress, the Chairman of the Senate Committee on Commerce, the Chairman of the House Committee on Commerce, and to the Delegate in Congress From Alaska:*

"Your memorialist, the Legislature of the Territory of Alaska, in 22d regular session assembled, respectfully submits that:

"Whereas a committee headed by Gen. Lucius D. Clay has prepared for the President of the United States a Federal-State-local highway program that would cost a total of $101 billion over the next 20 to 30 years; and

"Whereas the road program as presented by the Clay committee calls for a Federal expenditure of $24 billion in improving highways throughout the United States; and

"Whereas the road needs of the Territory of Alaska are nowhere mentioned in the report or included in its recommendations for large Federal expenditures on highway improvements; and

"Whereas no area under the American flag stands in greater need of improved and extended highways than does the Territory of Alaska; and

"Whereas General Clay is reported to have advised the Governor of Alaska that while his directive from the President on preparation of his report excluded consideration of road needs of areas outside the 48 States and the District of Columbia he suggested that Alaska's problem be brought to the attention of the committees of the Congress which will deal with the recommendations in the Clay committee report; and

"Whereas the Territory of Alaska has been excluded from participation under the Federal Highway Act, with the result that there is a 35-year accumulation of road needs for which Federal financial assistance is appropriate; and

"Whereas the construction and improvement of trunk roads in Alaska is of benefit to the Nation from the standpoint of national defense and economic development: Now, therefore, be it

"*Resolved by the Legislature of the Territory of Alaska, in 22d regular session assembled*, That the national administration and Congress include Alaska in any special Federal-State-local highway program which may

be evolved as a result of the recommendations of the Clay committee.

"And your memorialist will ever pray.

"Passed by the house February 4, 1955.

"WENDELL P. KAY,
"*Speaker of the House.*

"Attest: "JOHN T. MCLAUGHLIN,
"*Chief Clerk of the House.*

"Passed by the senate, February 14, 1955.

"JAMES NOLAN,
"*President of the Senate.*

"Attest: "KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*"

By Mr. CHAVEZ:

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 7

"Joint memorial memorializing the Congress of the United States to amend the Natural Gas Act

"Whereas recent interpretation of the Federal Natural Gas Act by the Supreme Court of the United States, and the recent interpretation of that Supreme Court decision by the Federal Power Commission, threaten the traditional and historical right of the State of New Mexico to regulate and control the production and gathering of oil and gas in the best interest of the people of the State of New Mexico and the Nation; and

"Whereas despite 14 years of interpretation to the contrary, the recent Supreme Court interpretation of the Natural Gas Act and the orders of the Federal Power Commission based on that interpretation, would now apply control of price and market for gas to independent producers; and

"Whereas the State of New Mexico, through the commissioner of public lands, the commissioner of public lands being the trustee of State lands under the Federal Enabling Act, is the largest royalty owner of oil and gas in the State; and

"Whereas royalties, rentals, and bonuses from oil and gas on State land are the major support of public schools and State institutions; and

"Whereas the regulation of the independent production of gas, and the inevitable resultant regulation of the production of oil, by the Federal Power Commission contemplates control of the price received for these resources at the wellhead, thus affecting the right and the duty of the New Mexico Commissioner of Public Lands to receive the full benefit of its State lands for the schools and institutions of the State, such royalties, rentals, and bonuses commensurate with a fair price established by arm's length negotiations; and

"Whereas the State of New Mexico, through its oil conservation commission, has pioneered in laws and regulations to prevent waste of oil and gas and has spent many years establishing a method of control beneficial to the State and the Nation, and fair to those engaged in the oil and gas exploration and production business; and

"Whereas the State of New Mexico does not recognize the independent producer of natural gas as a public utility; and

"Whereas this legislature and the responsible officials of the State of New Mexico recognize:

"That the tried and proven method of arm's length negotiations has been beneficial to the development and establishment of the reserves of both oil and gas;

"That the industry under these circumstances has met rapidly the expanding demand for gas and currently supplies almost one-fourth of the Nation's mineral energy;

"That the field price of gas on a heat content basis is far lower in cost than any other fuel;

"That the natural gas producers' field price currently amounts to less than 10 percent of the residential consumers' gas bill;

"That since 1945, the cost of living has risen almost 50 percent yet the cost of gas to the household consumer has risen only 12 percent;

"That the State of New Mexico and the Nation's fuel problem can better be served by a continuation of the long-standing interpretation of the Natural Gas Act wherein independent producers were excluded from Federal Power Commission control: Now, therefore, be it

"*Resolved,* That the 22d Legislature of the State of New Mexico does hereby memorialize the Congress of the United States to take such steps as are necessary to amend the Natural Gas Act to exclude the independent producers of natural gas from the control of the Federal Power Commission; and be it further

"*Resolved,* That copies of this memorial be sent to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and the Members of Congress, and to such other officials as the Governor of the State of New Mexico shall deem advisable.

"JOE M. MONTOYA,
"*President, Senate.*

"EDWARD G. ROMERO,
"*Chief Clerk, Senate.*

"DONALD D. HALLEM,
"*Speaker, House of Representatives.*

"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*

"Approved by me this 18th day of February 1955.

"JOHN F. SIMMS,
"*Governor, State of New Mexico.*"

By Mr. KERR:

Two concurrent resolutions of the Legislature of the State of Oklahoma; to the Committee on Agriculture and Forestry:

"House Concurrent Resolution 505

"Concurrent resolution memorializing the Congress of the United States to enact necessary legislation giving aid to certain farmers of the State of Oklahoma

"Whereas the control of crop production or restriction placed upon the use of farm lands for certain purposes by the United States Government has created depressed financial conditions among thousands of people who have resided upon and personally operated farm lands in the State of Oklahoma; and

"Whereas by reason of the conditions set forth in the first paragraph hereof, hundreds and thousands of farmers, who owned and personally operated not to exceed 160 acres of land, have been compelled to move to the cities and towns throughout the State and seek employment in industries in order that they may support and maintain themselves and their families and that such conditions have been brought about by no fault of the people of the State of Oklahoma; and

"Whereas the people of the State of Oklahoma are entitled to immediate legislation, having for its purpose the relief of the needy and destitute farmers of the State of Oklahoma who now own and personally operate or who formerly owned and personally operated not to exceed 160 acres of land in the State of Oklahoma for agricultural purposes: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Oklahoma (the Senate of the State of Oklahoma concurring therein),* That the Congress of the United States be and is hereby requested to enact necessary laws which will provide for the immediate relief of farmers throughout the State of Oklahoma, who own, reside upon and personally operate or who may hereafter own, reside upon and personally operate not to exceed 160 acres of land for agricultural purposes, by removing all restrictions, conditions and limitations governing the number of acres of land which each of such farmers may operate and the kind or amount of agricultural products which they may produce; that in so doing, the cities and towns of the State of Oklahoma will be greatly relieved of congested population for which there is insufficient housing; that the standard of living of such farmers will be greatly improved and industries, other than farming, may then absorb the vast number of unemployed; be it further

"*Resolved,* That copies of this resolution be forwarded to each Member of the Oklahoma delegation in Congress.

"Adopted by the house of representatives the 7th day of February 1955.

"B. E. HARKEY,
"*Speaker of the House of Representatives.*

"Adopted by the senate the 8th day of February 1955.

"PINK WILLIAMS,
"*President of the Senate.*"

"House Concurrent Resolution 508

"Concurrent resolution relating to cotton acreage control; memorializing the President and the Congress of the United States to pass suitable legislation increasing present cotton acreage allotments and establishing a long-range cotton acreage program

"*To the President and the Congress of the United States of America:*

"Your memorialist respectfully represents:

"Whereas the exports of cotton from the United States have increased from approximately 3,500,000 bales in 1953, to approximately 5,000,000 bales in the year 1954; and

"Whereas domestic consumption of this commodity has also greatly increased during the past year, and as a result thereof there has been an unexpected diminishing of the supply of carryover cotton; and

"Whereas this situation, in the absence of proper cotton-acreage allotments, may lead to unrestricted planting and possible acute overproduction in the year 1956.

"Therefore, your memorialist, the 25th Legislature of the State of Oklahoma, prays:

"1. That the President and Congress of the United States consider legislation which will permit increased cotton acreages for the year 1955, and develop a stabilized long-range cotton-acreage program which will eliminate the uncertainties attendant to fluctuations in acreage allotments.

"2. That a copy hereof be sent to each Member of the Oklahoma delegation in Congress and to the Honorable President of the United States.

"Adopted by the house of representatives the 1st day of February 1955.

"B. E. HARKEY,
"*Speaker of the House of Representatives.*

"Adopted by the senate the 3d day of February 1955.

"PINK WILLIAMS,
"*President of the Senate.*"

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Finance:

"House Concurrent Resolution 503

"Concurrent resolution relating to the importing of crude oil from foreign countries memorializing the President and the Congress of the United States to enact suitable legislation to curb the imports of crude oil from foreign countries

"*To the President and the Congress of the United States of America:*

"Your memorialist respectfully represents:

"That crude oil and petroleum products are among Oklahoma's greatest natural resources; that the State of Oklahoma has taken every precaution to properly conserve its crude oil reserves by limiting production to conform with local demands.

"That competition from foreign imports have a tendency to nullify the efforts of the State of Oklahoma and of other States to properly conserve their oil reserves and that such imports should, therefore, be controlled

in proportion to domestic production and demand.

"That when drastic curtailment in oil production was imposed within the United States during the year of 1954 to the extent that the economy of the State of Oklahoma was on the verge of economic chaos, imports of foreign oil to the United States were being increased: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oklahoma (the Senate concurring therein):

"1. That the President and Congress of the United States enact legislation curtailing and controlling the imports of foreign crude oil and petroleum products to the United States, in such a manner that the present rate of imports be reduced 50 percent and in the future that such imports be permitted only in direct ratio to domestic demand and production of such products within the boundaries of the United States.

"2. That copies hereof be transmitted to the Honorable President of the United States and to the Oklahoma delegation in Congress.

"Adopted by the house of representatives the 18th day of January 1955.

"B. E. HARKEY,
"Speaker of the House of Representatives.

"Adopted by the senate the 10th day of February 1955.

"PINK WILLIAMS,
"President of the Senate."

RESOLUTION OF COMMON COUNCIL OF CITY OF RICHMOND, KY.

Mr. CLEMENTS. Mr. President, I present for reference to the Senate Finance Committee, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Common Council of the City of Richmond, Ky., in support of an adequate tariff as a protection to a local industry, namely, the Richmond, Ky., plant of the Westinghouse Electric Corp.

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

Resolution A-62

Resolution adopted by the Common Council of the City of Richmond, Ky., in support of an adequate tariff as a protection to a local industry

Whereas the local Westinghouse miniature light bulb plant, with an annual payroll in excess of $1 million, constitutes a major element n the economy of Richmond and Madison County; and

Whereas the continued operation of said plant, as well as other like plants, is dependent on the companys' ability to retain their markets for such products in competition with such products imported from foreign countries where very low standards of wages and living prevail; and

Whereas legislation is pending in the Congress of the United States to reduce from 20 percent to 15 percent the import tax or tariff on such products, which reduction, if it becomes effective, will compel all domestic manufacturers of such products to abandon all but their most centrally located and efficient plants, thereby adding to the existing burden of unemployment and hardship, in Richmond and elsewhere; and

Whereas notwithstanding the alleged need to strengthen our former foes, Germany and Japan, as units in our farflung first line of national defense, we cannot but believe an enlightened self interest should persuade the Congress that the broader the base of our prosperity, and the more widespread and diversified our employment and manufacturing plants, the more able we shall be to sustain our overseas lines of defense: Therefore be it

Resolved by the Common Council of the City of Richmond, Ky., That we urge our Senators from Kentucky and our Representative from this district to wage a fight in the Congress to retain the present 20 percent protective tariff on miniature light bulbs imported from Japan and Germany, and that they resist in every proper way every effort to reduce such tariff to 15 percent, it being a matter of record that many items manufactured in Japan are inferior in quality and are sold here below their low cost of production in order to acquire United States dollars; and that the loss of the local Westinghouse plant would deal a crippling blow to our community, but that such loss is in prospect unless protection can be given by our Government against the flood of inferior goods being imported from abroad.

Resolved further, That triplicate original copies of this resolution be mailed to Senator CLEMENTS, Senator BARKLEY, and Representative WATTS, for their consideration and action, and that a copy hereof be transmitted to the local Westinghouse plant.

Adopted by the Common Council of the City of Richmond, Ky., in regular semimonthly meeting assembled, on the 14th day of February 1955.

JOHN P. REICHSPFARR,
Mayor.

Attest:

W. V. JACKSON,
City Clerk.

RESOLUTIONS OF MINNESOTA LIVESTOCK BREEDERS' ASSOCIATION

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted at the annual meeting of the Minnesota Livestock Breeders' Association, relating to incentive payments to wool growers, and so forth. I wish to state that I concur in the resolutions.

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

RESOLUTIONS ADOPTED AT ANNUAL MEETING BY MINNESOTA LIVESTOCK BREEDERS' ASSOCIATION, FEBRUARY 10, 1955

Be it resolved, That the Government be requested to permit assignment of incentive payments so that wool growers of the Middle West will have use of a part of this money when their wool is shorn rather than waiting until the late summer or fall of 1956.

Be it resolved, That we, the Minnesota Livestock Breeders' Association, favor an investigation by our Congress of the big spread in prices between the dairy producer and the consumer.

Whereas we, the dairy producers, get only 6¾ cents per quart for milk, and consumers may pay up to 24 cents per quart, we feel that the processor is taking out too large a share of profit. Great strides in improving the efficiency of producing milk on the farm have been made in the past few years. However, we feel distributors and processors have not taken full advantage of improved distribution and marketing procedures, and as it now stands the producers and consumer are suffering as a result of inefficiency between the farm and consumer.

Whereas we are of the opinion that if this processing phase of the dairy industry is carefully and completely investigated it will definitely assist the dairy farmer.

(A copy of this resolution be sent to our United States Senators from Minnesota, to Secretary of Agriculture Benson, and news releases be made for the press.)

MINNESOTA LIVESTOCK BREEDERS' ASSOCIATION,
VERLON WELCH,
Secretary-Treasurer.

SUGAR ACREAGE QUOTA—RESOLUTION OF ST. PAUL (MINN.) CHAMBER OF COMMERCE

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution relating to the sugar acreage quota, adopted by the St. Paul Chamber of Commerce. I fully concur in the resolution.

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

SUGAR ACT AMENDMENT AND REENACTMENT

Whereas the Sugar Act of 1948, as amended, now in force, expires December 31, 1956, and its protective provisions apply, therefore, to sugar refined from beets grown in 1955 and sold in 1956, but to no subsequent crop; and

Whereas sugar refined from beets planted in the fall of 1955 and in 1956 for marketing in 1957, consequently, would have no protection from the unbridled competition of world-glutted sugar markets; and

Whereas reenactment of the present law with revision of its protective quota provisions, as well as those designed to produce a parity price for sugar produced in the United States, is therefore, imperative in the 84th Congress; and

Whereas during a period of either worldwide armed conflict or political upheaval in sugar-exporting nations, this country would face a perilous situation in meeting its sugar requirements, with barely 27 percent supplied from within the continental boundaries of this country; and

Whereas the St. Paul Chamber of Commerce has heretofore recognized the essentiality of the sugar beet crop in rotation programs in the Red River Valley and believes the American farmers have the right to supply the sugar requirements of this country to the extent of their ability; and

Whereas present severe quota limitations in the present act restrict beet acreage on established Minnesota farms and make it impossible to secure additional acreage needed for existing plants to process: Now, therefore, be it

Resolved, That the St. Paul Chamber of Commerce hereby urges the 84th Congress to enact legislation which will—

A. Reenact the major provisions of the 1948 Sugar Act as amended on a permanent basis.

B. Provide yearly sales quotas for sugar derived from beets or cane grown in continental United States on an escalator basis, increasing yearly as consumptive requirements increase.

C. Provide for the relief of the immediate problems of disposing of above-quota sugar produced in 1953 and 1954 in continental beet and cane areas by granting them sugar sales quotas in 1957 based on the percentage of the American market which they enjoyed at the time of passage of the 1948 act; be it further

Resolved, That chambers of commerce in States concerned with sugar beet production be urged to give their full support to the proposed reenactment and amendatory legislation.

Submitted by the agricultural committee January 19, 1955.

Approved by the executive committee February 1, 1955.

FRED E. SPERLING,
General Secretary.

CONDITIONS IN TEXTILE INDUSTRY—LETTER AND RESOLUTION

Mr. THYE. Mr. President, I have received from Minnesota locals of the Textile Workers Union of America a number

of communications which refer to a resolution adopted at the 16th convention of the CIO, which was held at Los Angeles, Calif., last December. The resolution relates to the textile industry, and sets forth certain recommendations with respect to alleviating depressed conditions in that industry.

I present and ask unanimous consent to have printed in the RECORD one of the communications which is signed by the president and by the secretary of the Twin City joint board, Textile Workers Union of America, and the resolution adopted last December by the CIO.

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

TWIN CITY JOINT BOARD,
TEXTILE WORKERS UNION OF AMERICA,
Minneapolis, Minn, February 16, 1955.

Hon. EDWARD THYE,
Senator from Minnesota,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Enclosed herewith, is a copy of a resolution which was passed at the national CIO convention at Los Angeles, Calif., December 6 to 10, 1954.

This resolution puts forth the depressing plight which grips the textile industry in the United States and is causing great hardship to all people who are depending on this industry for a living.

The members of Twin City joint board, TWUA, most earnestly ask you to do all in your power to have the proper agencies of our Government carry out the suggestions to investigate this situation, and as a result we feel a remedy will be worked out which will bring relief to the textile industry and cause reemployment of thousands of workers who are now unnecessarily unemployed.

Yours truly,

ARTHUR GUSTAFSON,
President, Twin City Joint Board.
ANNA VANUSEK,
Secretary, Twin City Joint Board.

TEXTILE INDUSTRY PROBLEMS

RESOLUTION ADOPTED AT 16TH CONVENTION OF THE CONGRESS OF INDUSTRIAL ORGANIZATIONS, LOS ANGELES, CALIF., DECEMBER 6–10, 1954

The textile industry preceded the rest of the American economy in the descent to mass unemployment and suffering. Today some 300,000 textile workers are idle, more than 50,000 as a result of permanent mill closings during the last 2 years. Several hundred thousand are working part time. Employment is less than in 1932. Thousands have exhausted unemployment-compensation benefits and have been forced onto local relief rolls. The depression in the industry has caused widespread hardship in textile communities throughout the country.

The plight of the industry is due to the failure of managements to fulfill their responsibilities to their customers and workers. Fabric and apparel design has not kept pace with the changing living habits of American consumers. Instead of fashioning materials to whet the appetites of the new suburbanites, the bills have continued to produce fabrics designed for more formal urban living. There is a dearth of fabric and apparel designs suitable for this era of the long, casual weekend, backyard sports, TV-viewing and the home workshop. Expenditures on advertising and sales promotion have been woefully inadequate. Research is needed on the potentialities of textiles for new industrial applications as well as for expansion of old uses.

Consumer per capita expenditures on apparel have not increased in proportion to the rise in total consumer spending because the textile industry has not moved to maintain its position in the consumer market. Employers have resigned themselves to shrinking the industry's capacity without consideration for their public responsibilities. Some have carried their irresponsibility to the point of capitalizing on tax loopholes and local government subsidies to reap financial gain by closing their plants. The welfare of the workers and the community has been ignored in the ruthless drive of a few men to profit from the low-tax rate applicable to gains from the sale of capital asets. Others have exploited the industry-hungry towns which used their tax-exempt authority to float municipal bonds to pay for new plants and equipment.

Many companies were forced out of business because of their failure to reinvest the excessive profit earned during previous boom periods. Others were unable to compete in a buyers' market because they lacked enterprising management. Their inability to keep pace with new methods, style changes and merchandising developments made their demise inevitable.

In contrast, there are many companies whose efficiency and superior merchandising have continued to yield profitable financial returns. Corporations with strong financial backing have grown through the acquisition of additional plants. These mergers and acquisitions have resulted in an unprecedented concentration of control in the industry. Some 50 textile giants control half of the industry's basic capacity.

Rapid improvements in textile technology have added to the workers' problems by reducing the amount of labor required per unit of production. Management has taken advantage of these developments to extend work assignments inordinately and has refused to share the gains from increasing productivity. Man-hour productivity has risen at the annual rate of 4.5 percent since 1946 with a total cumulative rise of 36 percent. Combined with a declining total production to an annual rate of 12.7 billion yards from a rate of 14.76 billion yards at the end of 1950, these developments have permanently eliminated thousands of textile jobs.

Imports of textiles, including woolens and worsteds, cordage and twine, fine cottons, silk scarves, and others, have increased markedly and have accentuated the problems of the industry. In the woolen and worsted branch the impact of imports has been most severe because of the shrinking American market and the concentration of foreign exporters of lightweight fabrics for this country.

The Federal Government has abdicated its responsibilities in the textile field. The defense manpower policy which authorized allocation of some Government orders to areas of high unemployment has been scuttled. The protection promised by the Walsh-Healey Public Contracts Act to employers with decent wage scales in bidding for Government contracts has been wiped but by the Fulbright amendment which authorizes court action to prevent minimum-wage regulations from being put into effect. Increases in the minimum wage for work on public contracts, from 87 cents to $1 in cotton-rayon and from $1.05 to $1.20 in woolen and worsted, have been blocked by such litigation. The Government has refused to implement a provision of the tariff agreement which authorizes higher rates to protect the woolen and worsted industry from growing imports. On the other hand the Government maintains a duty on raw wool which adds to the cost of wool products without protecting the wool farmer.

It also supports an artificially high price for cotton which results in the accumulation of a huge cotton surplus and prevents the consumer from enjoying the benefits of lower cotton costs: Now, therefore, be it

Resolved:

1. We call upon the Federal Government to take affirmative action to stem the tide of depression in the textile industry:

(a) An agency should be set up by Congress to represent the textile industry, labor, and the public for the purpose of enforcing a basic 35-hour workweek in the industry at 40 hours' pay. The agency should be empowered in periods of distress to limit machine operations to two shifts per day.

(b) A program of stockpiling needed military fabrics should be created now so that production orders can be released immediately.

(c) American textiles should be used in the same fashion as surplus food and coal for the relief of needy nations overseas. In similar fashion, textiles should be distributed to needy Americans as surplus food is now distributed.

(d) Contracts should be negotiated with mills in distressed manpower areas to reemploy the unemployed.

(e) A systematic investigation should be undertaken of ways to broaden the use of wool fibers as well as cotton. The Department of Agriculture should provide leadership in establishing a wool-fabric library to stimulate new design and aggressive merchandising.

(f) Industrial expansion programs must be revised to locate new plants in areas where surplus manpower is available.

2. We support the proposal of the House Ways and Means Committee to disallow, for tax purposes, the deduction of rent from taxable income by industrial companies which lease plants built from the proceeds of municipal bond issues. This action would be a suitable first step in eliminating State and local tax exemptions and other subsidies to private enterprise.

3. All profits and capital gains resulting from the liquidation of mills should be taxed at a special rate of 25 percent and the proceeds used to finance local development programs, to aid workers to adjust themselves and to set up public works and the development of local resources and facilities.

4. We call upon the Senate Committee on Labor and Education to look into the use of capital-gains taxes, local subsidies, and corporate mergers as stimuli to the liquidation of business enterprises.

5. The Federal Government should provide a research organization for studying methods of broadening the markets for textile fabrics.

PROPOSED TRANSFER OF CONCESSIONS IN YELLOWSTONE NATIONAL PARK

Mr. MANSFIELD. Mr. President, I have received a resolution from the House of Representatives of the 34th Legislative Assembly of the State of Montana, protesting the proposed sale of concession facilities in the Yellowstone National Park to the State of Wyoming.

In view of the seriousness and unsoundness of the proposed transfer, I have forwarded the resolution of the Montana House of Representatives to the Honorable Douglas McKay, Secretary of the Interior, requesting that the interests of Montana be given every consideration before a decision is reached.

To my knowledge this is the first attempt at delegating Federal responsibility in our national parks to the individual States. It has been a long-standing policy for concessions and facilities on Federal property in our national parks to be operated for the pleasure,

convenience, comfort, and accommodation of the multitude of tourists and visitors from all parts of the Nation and the world. If States should be allowed to purchase concessions in our national parks, and control the same through agencies and commissions, it would bring in the element of politics and political gain. The end result would be a lack of uniform policy throughout our national park system. Our national parks are set aside for the benefit and pleasure of all, not for the benefit of one political subdivision.

The United States has a system of national parks of which it can justly be proud. The execution of the proposed transfer of these concessions in the Yellowstone National Park to the State of Wyoming would be detrimental to the interests of the public, the Nation, and the State of Montana.

BILLS INTRODUCED

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

By Mr. POTTER:

S. 1202. A bill for the relief of Prem Lall (Peter) Sarup; to the Committee on the Judiciary.

By Mr. POTTER (for himself, Mr. McNAMARA, Mr. BRICKER, and Mr. BENDER):

S. 1203. A bill to authorize construction of certain flood-control improvements on Lake Erie; to the Committee on Public Works.

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

By Mr. SMITH of New Jersey (for himself, Mr. IVES, Mr. PURTELL, Mr. BENDER, and Mr. CASE of New Jersey):

S. 1204. A bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any Territory, or for the District of Columbia, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. LEHMAN:

S. 1205. A bill for the relief of Vladimir Batenko; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself, Mr. GREEN, Mr. HUMPHREY, Mr. KEFAUVER, Mr. KENNEDY, Mr. LANGER, Mr. MAGNUSON, Mr. McNAMARA, Mr. MORSE, Mr. MURRAY, Mr. NEUBERGER, Mr. PASTORE, and Mr. CHAVEZ):

S. 1206. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

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

By Mr. CHAVEZ:

S. 1207. A bill to provide that leave accrued by members of the Armed Forces while held as prisoners of war in Korea shall not be counted in determining the maximum amount of leave which they may accumulate or have to their credit; to the Committee on Armed Services.

By Mr. BUTLER:

S. 1208. A bill to amend section 315 of the Communications Act of 1934 so as to prohibit liability from being imposed upon a licensee because of defamatory statements made in a broadcast by a political candidate unless such licensee participates in such broadcast with intent to defame; to the Committee on Interstate and Foreign Commerce.

By Mr. DIRKSEN:

S. 1209. A bill to amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain truck trailers; to the Committee on Finance.

By Mr. CLEMENTS:

S. 1210. A bill to amend the Public Buildings Act of 1949 so as to eliminate the 1-year limitation on the period of leases of space for Federal agencies in the District of Columbia; to the Committee on Public Works.

By Mr. HILL:

S. 1211. A bill to provide certain benefits for persons who served as contract surgeons or contract dental surgeons during the war with Spain, the Philippine Insurrection, or the China Relief Expedition; to the Committee on Finance.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 1212. A bill for the relief of Dr. Lincoln Roy Manson-Hing; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1213. A bill to provide the same basis for awarding pensions to widows and children of veterans of World War II as is now provided for widows and children of veterans of World War I, to provide pensions for widows and children of veterans of World Wars I and II who died in service not in line of duty, to increase the income limitation for widows and children of veterans of World Wars I and II, and to redefine the terms "widow of World War I" and "widow of World War II"; to the Committee on Finance.

By Mr. DWORSHAK:

S. 1214. A bill for the relief of Mary Ellen Krueger and Alvin Konrad Krueger; to the Committee on the Judiciary.

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 1215. A bill relating to the claims of the Mid-Columbia River Indians against the United States arising out of the construction of the Dalles Dam; to the Committee on Interior and Insular Affairs.

By Mr. PASTORE (for himself and Mr. CAPEHART):

S. 1216. A bill to provide for the incorporation of the National Woman's Relief Corps, auxiliary to the Grand Army of the Republic, organized 1883, 72 years old; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1217. A bill to authorize the Secretary of the Army to contract with the city of McCormick, S. C., for the sale of water from Clark Hill Reservoir; to the Committee on Public Works.

CONSTRUCTION OF CERTAIN FLOOD CONTROL IMPROVEMENTS ON LAKE ERIE

Mr. POTTER. Mr. President, on behalf of myself, my colleague, the junior Senator from Michigan [Mr. McNAMARA], and the Senators from Ohio [Mr. BRICKER and Mr. BENDER], I introduce, for appropriate reference, a bill to authorize construction of certain flood-control improvements on Lake Erie.

Mr. President, this work has been recommended by the Corps of Engineers and is needed imperatively. It is considered meritorious and deserving of construction.

The communities concerned have been devastated over the years by floods caused by the high lake level and strong northeasterly winds.

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

The bill (S. 1203) to authorize construction of certain flood-control improvements on Lake Erie, introduced by Mr. POTTER (for himself, Mr. McNAMARA, Mr. BRICKER, and Mr. BENDER), was received, read twice by its title, and referred to the Committee on Public Works.

PROPOSED WORK-HOURS ACT OF 1955

Mr. SMITH of New Jersey. Mr. President, as the ranking minority member of the Committee on Labor and Public Welfare, I introduce, for appropriate reference, a bill designed to revise and codify the group of statutes known collectively as the 8-hour laws. The bill is sponsored also by the Senator from New York [Mr. IVES], the Senator from Connecticut [Mr. PURTELL], the Senator from Ohio [Mr. BENDER], and my colleague, the junior Senator from New Jersey [Mr. CASE]. I ask unanimous consent that other Senators desiring to sponsor this bill be permitted to add their names during the course of the day.

This bill follows up the reference by President Eisenhower in his state of the Union address to legislation in this field and is a part of the current legislative program of the Department of Labor.

The present 8-hour laws, which govern hours of work and overtime pay of laborers employed on public work by the Federal Government and its contractors and subcontractors, are a hodgepodge of conflicts, confusion, and inequities. This bill, if enacted, would do three salutary things.

First, the bill would eliminate the confusion and inequities of the present laws and would make clear the liability of contractors to pay laborers time and one-half for all overtime work.

Second, although Congress has established a straight-time workweek of 40 hours for Federal employees, for work connected with interstate commerce, and for work on Federal supply contracts, some Federal contractors not covered by the above statutes are working laborers a 7-day, 56-hour week without paying overtime. This bill would assure time and one-half pay for overtime worked in excess of a 40-hour week.

Third, at present the contract work covered by the 8-hour laws is work contracted out directly by the Government. This may have been adequate in 1892 when the first of the existing laws was enacted, but presently many non-Federal agencies do the actual contracting for work that is financed in whole or in part from Federal funds or guaranties. Therefore, this bill would extend coverage, with exceptions, to any contract for "work financed in whole or in part by loans or grants from, or loans insured or guaranteed by, the United States or any agency or instrumentality thereof." Such laws as the antikickback statutes already have similar application.

Mr. President, I am hopeful that we may have early hearings and action on

this bill. Codification and modernization of the 8-hour laws are long overdue. I can see no partisan implications or any other stumbling blocks which would preclude expeditious consideration of this bill.

I ask unanimous consent that the text of the bill and a short explanatory statement be printed at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and explanatory statement will be printed in the RECORD.

The bill (S. 1204) to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any Territory, or for the District of Columbia, and for other purposes, introduced by Mr. SMITH of New Jersey (for himself, Mr. IVES, Mr. PURTELL, Mr. BENDER, and Mr. CASE of New Jersey), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Work Hours Act of 1955."

TITLE I

SEC. 101. This title may be cited as the "Contract Work Hours Standards Act."

SEC. 102. (a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed by any contractor or subcontractor in his performance of work on any contract of the character specified in section 103 shall be computed on the basis of a standard workday of 8 hours and a standard workweek of 40 hours, and work in excess of such standard workday or workweek shall be permitted subject to the provisions of this section. For each workweek in which any such laborer or mechanic is so employed, such wages shall include compensation, at a rate not less than 1½ times the basic rate of pay, for all hours worked in excess of 8 hours in any calendar day or in excess of 40 hours in the workweek, as the case may be.

(b) The following provisions shall be a condition of every contract of the character specified in section 103 and of any obligation of the United States, any Territory, or the District of Columbia in connection therewith:

(1) No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic, in any workweek in which he is employed on such work, to work in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek except in accordance with the provisions of this act.

(2) In the event of violation of the provisions of paragraph (1), the contractor and any subcontractor responsible therefor shall be liable to each affected employee for his unpaid wages and shall, in addition, be liable to the United States (or, in the case of work done under contract for the District of Columbia or a Territory, to such District or to such Territory) for liquidated damages as provided herein. Such liquidated damages shall be computed, with respect to each individual employed as a laborer or mechanic in violation of this act, in the sum of $5 for each calendar day on which such individual was required or permitted to work in excess of 8 hours or in excess of the standard workweek of 40 hours without payment of the overtime wages required by this act. The governmental agency for which the contract work is done or by which financial assistance for the work is provided may withhold or cause to be withheld, subject to the provisions of section 104, from any moneys payable on account of work performed by a contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as herein provided.

SEC. 103. (a) The provisions of this act shall apply, except as otherwise provided, to any contract which may require or involve the employment of laborers or mechanics upon a public work of the United States, or any Territory, or of the District of Columbia, and to any other contract which may require or involve the employment of laborers or mechanics if such contract is one (1) to which the United States or any agency or instrumentality thereof, any Territory, or the District of Columbia is a party, or (2) which is made for or on behalf of the United States, any agency or instrumentality thereof, any Territory, or the District of Columbia, or (3) which is a contract for work financed in whole or in part by loans or grants from, or loans insured or guaranteed by, the United States or any agency or instrumentality thereof. Except as otherwise expressly provided, the provisions of this act shall apply to all laborers and mechanics, including watchmen and guards, employed by any contractor or subcontractor in the performance of any part of the work contemplated by any such contract, and for purposes of this act laborers and mechanics shall include workmen, other than seamen, performing services in connection with dredging or rock excavation in any river or harbor of the United States or of any Territory or of the District of Columbia.

(b) This act shall not apply to contracts for transportation by land, air, or water, or for the transmission of intelligence, or for the purchase of supplies or materials or articles ordinarily available in the open market. This act shall not apply with respect to any work required to be done in accordance with the provisions of the Walsh-Healey Public Contracts Act (49 Stat. 2036, 40 U. S. C. sec. 35–45).

(c) The provisions of this act shall not apply with respect to any laborer or mechanic in any workweek in which his services in performance of work under a contract or contracts subject to this act are performed entirely in a work place within a foreign country or within United States territory other than the following: A State of the United States; the District of Columbia; Alaska; Hawaii; Puerto Rico; the Virgin Islands; and outer Continental Shelf lands described in Public Law 212, 83d Congress, 67 Stat. 462.

SEC. 104. (a) Any officer or person designated as inspector of the work to be performed under any contract of the character specified in section 103, or to aid in the enforcement or fulfillment thereof shall, upon observation or investigation, forthwith report to the proper officer of the United States, of any Territory or possession, or of the District of Columbia, all violations of the provisions of this act occurring in the performance of such work, together with the name of each laborer or mechanic who was required or permitted to work in violation of such provisions and the day or days of such violation. The amount of unpaid wages and liquidated damages owing under the provisions of this act shall be administratively determined and the officer or person whose duty it is to approve the payment of moneys by the United States, the Territory, or the District of Columbia in connection with the performance of the contract work shall direct the amount of such liquidated damages to be withheld for the use and benefit of the United States, said Territory, or said District, and shall direct the amount of such unpaid wages to be withheld for the use and benefit of the laborers and mechanics who were not compensated as required under the provisions of this act. The Comptroller General of the United States is hereby authorized and directed to pay directly to such laborers and mechanics, from the sums withheld on account of underpayments of wages, the respective amounts administratively determined to be due, if the funds withheld are adequate, and if not, an equitable proportion of such amounts.

(b) Any contractor or subcontractor aggrieved by the withholding of a sum as liquidated damages as provided in this act shall have the right within 6 months thereafter to appeal to the head of the agency of the United States or of the Territory for which the contract work is done or by which financial assistance for the work is provided, or to the Commissioners of the District of Columbia in the case of liquidated damages withheld for the use and benefit of said District. Such agency head or Commissioners, as the case may be, shall have authority to review the administrative determination of liquidated damages and if it is found that the sum determined is incorrect or that the contractor or subcontractor violated the provisions of this act inadvertently notwithstanding the exercise of due care on his part and that of his agents, recommendation may be made to the Secretary of Labor that an appropriate adjustment in liquidated damages be made, or that the contractor or subcontractor be relieved of liability for such liquidated damages. The Secretary of Labor shall review all pertinent facts in the matter and may conduct such investigations as he deems necessary, so as to affirm or reject the recommendation. The decision of the Secretary of Labor shall be final. In all such cases in which a contractor or subcontractor may be aggrieved by a final order for the withholding of liquidated damages as hereinbefore provided, such contractor or subcontractor may, within 6 months after such final order, file a claim in the Court of Claims.

(c) Reorganization Plan No. 14 of 1950 (15 F. R. 3175, 64 Stat. 1267) shall be applicable with respect to the provisions of this title, and section 2 of the act of June 13, 1934, as amended (48 Stat. 948; 54 Stat. 1236; 63 Stat. 108; 40 U. S. C., sec. 276c), shall be applicable with respect to those contractors and subcontractors referred to therein who are engaged in the performance of contracts subject to the provisions of this act.

SEC. 105. The Secretary of Labor may provide such reasonable limitations and may make such rules and regulations allowing reasonable variations, tolerances, and exemptions to and from any or all provisions of this title as he may find necessary and proper in the public interest to prevent injustice or undue hardship or to avoid serious impairment of the conduct of Government business.

SEC. 106. Any contractor or subcontractor whose duty it shall be to employ, direct, or control any laborer or mechanic employed in the performance of any work contemplated by any contract to which this title applies, who shall intentionally violate any provision of this title, shall be deemed guilty of a misdemeanor, and for each and every such offense shall, upon conviction, be punished by a fine of not to exceed $1,000 or by imprisonment for not more than 6 months, or by both such fine and imprisonment, in the discretion of the court having jurisdiction thereof.

TITLE II

SEC. 201. The proviso of section 23 of the act of March 28, 1934 (48 Stat. 509, 522), as amended, is hereby amended to read as follows: *Provided*, That the regular hours of labor are hereby established at not more than 8 per day or 40 per week, but work in excess of such hours shall be permitted

when administratively determined to be in the public interest: *Provided further*, That overtime work in excess of 8 hours per day or in excess of 40 hours per week shall be compensated for at not less than time and one-half the basic rate of compensation, except that employees subject to this section who are regularly required to remain at or within the confines of their post of duty in excess of 8 hours per day in a standby or on-call status shall be paid overtime rates only for hours of duty, exclusive of eating and sleeping time, in excess of 40 per week."

SEC. 202. (a) Section 1499 of title 23, United States Code, is hereby amended to read as follows:

"1499. Liquidated damages withheld from contractors under Contract Work Hours Standards Act.

"The Court of Claims shall have jurisdiction to render judgment upon any claim for liquidated damages withheld from a contractor or subcontractor under section 104 of the Contract Work Hours Standards Act."

(b) The Court of Claims shall continue to have jurisdiction to render judgment upon any claim for a penalty withheld from a contractor or subcontractor under section 324 of title 40, United States Code, in connection with any contract subject to said section entered into prior to the effective date of this act.

SEC. 203. The following statutes are hereby repealed: Sections 1 and 2 of the act of August 1, 1892 (27 Stat. 340), as amended by the act of March 3, 1913 (37 Stat. 726); the act of June 19, 1912 (37 Stat. 137), as amended by the act of June 25, 1948 (62 Stat. 989); that portion of the Naval Service Appropriation Act, 1918 (act of March 4, 1917, 39 Stat. 1192) which is codified as section 326 of title 40 of the United States Code (1952 ed.); and section 303 of the Second Supplemental Defense Appropriations Act, 1941 (54 Stat. 884, 40 U. S. C., sec. 325a); *Provided*, That the foregoing statutes shall remain in full force and effect with respect to contracts subject thereto entered into prior to the effective date of this act.

SEC. 204. This act shall take effect 60 days after its enactment.

The explanatory statement, presented by Mr. SMITH of New Jersey is as follows:

STATEMENT IN EXPLANATION OF 8-HOUR LAWS

This bill meets the great need in the field of labor standards legislation for a single general hours act to revise and replace the group of complicated and overlapping statutes, dating back to 1892, which are known as the 8-hour laws. The President, in his state of the Union address on January 6, stated that the administration would propose legislation regarding these laws, which relate to hours of work and overtime pay on Federal public work. The proposals embodied in this bill are a part of the legislative program of the Department of Labor and the Bureau of the Budget has advised that their enactment would be in accord with the program of the President.

The bill would improve the present 8-hour laws in three major respects: (1) By replacing the uncoordinated and confusing series of laws enacted at different times with a single statute simplifying and clarifying the present provisions; (2) by modernizing its hours standards through inclusion of a provision for a standard workweek of 40 hours with not less than time and one-half pay for overtime work; and (3) by making the laws' standards applicable not only to direct Government contracts but also contracts for work financed in whole or in part with the aid of Federal funds or guaranties.

SIMPLIFYING AND CLARIFYING THE EXISTING LAW

The present 8-hour laws, which govern hours of work and overtime pay of laborers and mechanics employed on public work by the Federal Government and its contractors and subcontractors, were enacted at different times between 1892 and 1940. The 1892 statute replaced a statute dating back to the Civil War period. Certain provisions of these laws make it a crime for Government officials or Government contractors and their subcontractors to employ laborers or mechanics more than 8 hours a day. Others, which apply only to contractors and subcontractors, provide a separate and additional contract penalty of $5 for each day's violation with respect to each worker permitted to work more than 8 hours. Many workers are covered by both provisions but there are others who are subject to the criminal statute only and still others to the statute providing the $5 penalty. This bill would consolidate the existing laws into a single statute with simplified provisions which apply in the same way to all contractors and subcontractors performing work coming within its terms.

The bill would also eliminate the confusion and inequities which result from a number of conflicting and ambiguous exception provisions contained in the present laws. Some of the exceptions taking particular work out of the laws' coverage are cancelled out by exceptions to the exceptions which put it back in again. And although the language of these laws prohibiting more than 8 hours' work in a calendar day has not been changed, there is still another independent statute that has the effect of relieving most contractors and subcontractors from this prohibition if they pay time and one-half overtime compensation for all work over 8 hours a day. The courts and the Comptroller General are in disagreement as to whether the present language of this law also gives the employees who work overtime the right to collect the time and one-half compensation if the employer fails to pay it. This bill would set hours standards for work at straight-time pay and make clear the liability of the contractor to pay his laborers and mechanics time and one-half for all overtime work.

FORTY-HOUR WEEK PROVISION

In addition to a need for revising the language for the 8-hour laws to eliminate complicated and overlapping provisions, the present overtime provisions need amendment. Congress has established a straight-time workweek of 40 hours for Federal employment, for work connected with interstate commerce under the wage and hour law, and for work on Federal supply contracts under the Walsh-Healey Act. Many responsible contractors who perform Government contract work covered by the 8-hour laws have adopted this 40-hour standard. However, there are other contractors performing Federal work with laborers and mechanics working 56 hours a week without receiving overtime compensation. The bill would modernize the hours standards of the 8-hour laws by adding a provision to assure time and one-half pay for overtime worked in excess of a 40-hour week.

CHANGES IN COVERAGE

The third needed improvement in the 8-hour laws is an extension of their scope to include work financed in whole or in part by the Federal Government. The contract work covered by these laws is work contracted out directly by the Government. When these laws were developed, this coverage made the hours standards applicable to substantially all the work for which Federal funds were expended. This situation no longer exists. Many non-Federal agencies now do the actual contracting for work that is financed in whole or in part under Federal programs with the aid of Federal funds or guarantees. The coverage of a revised hours law should extend to this federally aided work, which Congress has already made subject to other Federal labor standards under laws such as the antikickback statutes and the many laws providing for payment of predetermined wages on federally financed construction. The bill provides that its hours standards will apply on all contracts for such work.

Since the labor standards provided in the bill would be applicable only to contractors and subcontractors, its enactment would terminate the application of the 1892 statute to employees of the Federal Government and the District of Columbia, as was proposed in S. 1926, 83d Congress, 1st session, a bill approved by the Bureau of the Budget. For this reason a necessary amendment to existing legislation relating to Federal employees is included in section 201 of the bill, which follows the language used in this earlier bill.

COORDINATION OF ENFORCEMENT BY FEDERAL AGENCIES

Inasmuch as the proposed legislation would take the place of labor standards laws with respect to which the Secretary of Labor is given coordinating authority under Reorganization Plan No. 14 of 1950, a provision continuing this authority is included in the bill, as is also a provision affirming the applicability in accordance with its terms of section 2 of the Copeland Act, as amended, giving the Secretary of Labor certain authority to issue regulations for contractors and subcontractors on work of the character covered by the bill.

PROPOSED IMMIGRATION AND CITIZENSHIP ACT OF 1955

Mr. LEHMAN. Mr. President, on behalf of myself, and the senior Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from North Dakota [Mr. LANGER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the senior Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the junior Senator from Rhode Island [Mr. PASTORE], and the junior Senator from Oregon [Mr. NEUBERGER], I introduce for appropriate reference an omnibus immigration and naturalization bill to replace the Immigration and Nationality Act, or so-called McCarran-Walter Act. The bill has for its title "The Immigration and Citizenship Act of 1955," and a similar bill is being introduced simultaneously in the House of Representatives.

I ask unanimous consent that a press release, issued in connection with the introduction of the bill, together with a comprehensive explanation and summary, be printed at this point in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the press release, explanatory statement, and summary will be printed in the RECORD.

The bill (S. 1206) to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes, introduced by Mr. LEHMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

The press release, explanatory statement, and summary presented by Mr. LEHMAN are as follows:

PRESS RELEASE

Thirteen Members of the Senate and 8 Members of the House today simultaneously introduced a comprehensive immigration and citizenship bill completely revising and replacing the McCarran-Walter Act.

In an accompanying statement the sponsors, headed by Senator HERBERT H. LEHMAN in the Senate and Representative EMANUEL CELLER in the House, called on the administration and on the leadership of both Houses, to redeem the campaign pledges and reiterated commitments of both major parties by facilitating prompt consideration of proposals to overhaul and replace the existing "discriminatory, oppressive, and ruthless immigration and citizenship laws now on our statute books."

The sponsors called for early and intensive hearings on their new bill and on other proposals to revise and amend the McCarran-Walter Act, which was enacted in 1952.

"In the present state of world affairs," the joint statement issued from the office of Senator LEHMAN said, "we dare no longer tolerate on our statute books the present shameful law which is losing us friends abroad daily, holding us up to contempt in the eyes of free mankind, and working havoc among our own people.

"It is intolerable that we should continue to maintain our own Iron Curtain, against visitors and alien immigrants alike, while criticizing the Iron Curtain abroad. And the daily examples of senseless cruelty and injustice against aliens already resident here, or recently arrived here, makes our advocacy of justice abroad seem like hollow sham and pretense.

"All decent-minded Americans, if they knew the facts about present law, would join in demanding that Congress promptly remove the many booby traps for citizens, for resident and immigrant aliens, and for visitors, now secreted in the McCarran-Walter Act. The law is a mess which must be cleaned up without delay."

The new Lehman-Celler proposal which, with some technical improvements, is basically the same as the Lehman-Cellar bill introduced in the 83d Congress, would achieve the following:

1. Eliminate the national origins quota system with its built-in discriminations based on place of birth;
2. Eliminate statutory discriminations and distinctions between native-born and naturalized American citizens;
3. Eliminate present insubstantial grounds for revocation and denial of citizenship;
4. Eliminate fractious and arbitrary grounds for denial of admission to the United States;
5. Make a clear distinction in requirements for entry between (a) aliens seeking permanent residence here, and (b) alien visitors coming here for scholarly or scientific purposes, for pleasure, or for business;
6. Eliminate special immigration barriers against orientals and Negroes;
7. Establish an annual immigration ceiling of approximately 250,000 per year, but permit immigration up to that limit;
8. Require all ordinary immigration from the Western Hemisphere to be included within the annual quota limits;
9. Establish a unified quota system, based on national need, individual aptitude, and the requirements of our foreign policy;
10. Establish statutory review and appeals procedures in all cases of deportation and exclusion, and for denials of visas.

EXPLANATORY STATEMENT

We are today introducing an omnibus immigration and citizenship bill to overhaul, revise and replace the discriminatory, oppressive, and inhospitable immigration and citizenship laws now on our statute books.

Our bill is a recodification of the McCarran-Walter Act, preserving the technical advances it made over preexisting law, but modifying and humanizing the spirit and letter both of preexisting law and of the McCarran-Walter Act in conformity with the repeated pledges and commitments which have been made by both major parties and by the President of the United States in official communications and messages to the Congress.

Our bill conforms to the recommendations of scores of religious and nonsectarian organizations of all shades and complexions interested in immigration and citizenship, and dedicated to the free exchange of ideas and persons, within the limits of reasonable security safeguards and orderly immigration procedures.

Our bill carries out the recommendations of the nonpartisan Presidential Commission on Immigration and Citizenship, which made its report in January 1953.

We call on President Eisenhower, and on the leadership of both parties in both Houses, to help insure prompt, early and intensive hearings on our bill and on other pending proposals to amend the McCarran-Walter Act.

In the present state of world affairs we dare no longer tolerate on our statute books the present shameful law which is losing us friends abroad daily, holding us up to contempt in the eyes of free mankind, and working havoc among our own people.

It is intolerable that we should continue to maintain our own Iron Curtain—against visitors and alien immigrants alike—while criticizing the Iron Curtain abroad. And the daily examples of senseless cruelty and injustice against aliens already resident here, or recently arrived here, makes our advocacy of justice abroad seem like hollow sham and pretense.

Our bill provides full and comprehensive security against the admission of subversive and undesirable aliens into the United States. Indeed, our bill tightens existing loopholes which now permit millions—yes, millions—of unscreened aliens to flood across our northern and southern land borders, and prevents orderly apprehension and prevention of such illegal immigration, with its dangerous components of subversive, diseased, and criminal elements.

Our bill would remove the intolerable barriers which now keep renowned scientists, scholars, and men of letters from coming to our shores as visitors; and also businessmen and tourists. Our bill would remove this particular stigma of shame from our statute books.

Our bill would eliminate racism and national discrimination from our immigration laws.

Our bill would eradicate the status of second-class American citizenship which now is fastened on millions of naturalized Americans.

American citizenship, which was once inalienable, both for the native-born and for those who acquire citizenship by naturalization, has become, in the McCarran-Walter Act, a temporary license—subject to revocation on a score of grounds—many of them unsubstantial and even capricious.

Our bill would limit immigration, but would not stifle it. Our bill would permit immigration to be used, as it should be, as one of the tools and expressions of our foreign policy—meeting our national need at home, and the particular need of aliens abroad.

Our bill would help restore America to the role it has traditionally occupied—as the hope of the oppressed and the persecuted everywhere, an asylum for the brave, the venturesome and the freedom-seeking abroad—within the limits of our conservative capacity for assimilation.

Our bill recognizes that a limited amount of immigration, carried out in an orderly way, with due regard for selection, resettlement, and integration, is of benefit to America, not a danger to America.

All decent-minded Americans, if they knew the facts about present law, would join in demanding that Congress promptly remove the many booby traps for citizens, for resident and immigrant aliens, and for visitors, now secreted in the McCarran-Walter Act. The law is a mess which must be cleaned up without delay.

DETAILED SUMMARY

A. NEW ADMINISTRATIVE AGENCY; APPEALS AND REVIEW PROCEDURES

(Titles I and III, secs. 103 through 111, 304)

Our present immigration and naturalization laws are administered by the Immigration and Naturalization Service in the Department of Justice, and by the consular service in the Department of State. Obviously, the administration of the immigration laws is remote from the major concerns of the Attorney General and of the Secretary of State. In fact, the Secretary of State has but nominal control over the immigration functions of the consular service.

This two-headed system is, in itself, the end product of a long series of transfers, consolidations, and separations which have accomplished little except to confirm the relative immunity of the Immigration and Naturalization Service and of the consular service to cabinet-level direction. Both services have tended to become imbued, through the years, with an anti-alien spirit. The predominant attitude is one of suspicion of the alien rather than of service to the immigrant.

For this, and other reasons to be cited, the proposed act terminates the major responsibility of the Department of Justice and the Attorney General and of the Secretary of State for immigration and naturalization, and vests this responsibility in a single new and independent agency, called the Immigration and Naturalization Commission (sec. 103).

Another outstanding defect of present law is the absence of adequate statutory appeals and review procedure. Under the McCarran-Walter Act, the alien overseas seeking admission to the United States has no assurance of uniform justice * * * no right of appeal from the decision of a consular officer. The alien who has landed in the United States has only limited rights of appeal and review and these rights are far from being either adequate or uniform.

In addition to eliminating the duplication between the Department of State and the Justice Department, the proposed act provides an orderly system of fair procedure and adequate review, by an independent quasi-judicial tribunal, of all administrative actions and decisions (secs. 107–111).

The desirability of the consolidation of all immigration and allied functions in one agency was recognized by the Hoover Commission. That body recommended outright transfer of the visa-issuing function from the State Department to the Justice Department.

Upon close study, however, it becomes clear that neither the State Department nor the Justice Department is equipped to discharge the full responsibility for this complex and highly sensitive operation. The business of the State Department is foreign affairs. That of Justice is legal counseling and the conduct of criminal and civil litigation. The best solution is the establishment of a separate independent agency concerned solely with immigration and naturalization.

The new Commission set up in the proposed act is a bipartisan body of three members appointed by the President, subject to confirmation by the Senate (sec. 103). Tenure is at the pleasure of the President. Provision is made for an administrator and a

general counsel, both to be appointed by the Commission (sec. 104).

Under the McCarran Act a person seeking admission to the United States, whether as an immigrant or a visitor, applies to a State Department official, namely, a consul, for a visa. The consul's decision as to admissibility is final and unreviewable. At the port of entry, an official of the Immigration and Naturalization Service of the Department of Justice independently redetermines the alien's admissibility. This duplication is expensive to the Government and needlessly burdensome to the applicant. It precludes, moreover, uniform and reasonably predictable application of the law.

Under the proposed act, the functions of the Commission would include: the admission of aliens into the United States; the prevention of illegal entry; the deportation of aliens; the adjustment of status of aliens; the investigation of citizenship applicants prior to the presentation of the applications to the naturalization courts; and the institution of appropriate proceedings in various citizenship matters including denaturalization for fraud (sec. 105). Authority over the issuance of visas to diplomats and to U. N. officials would be retained in the State Department.

The proposed act empowers the Commission to establish its own field offices in foreign countries, after consultation with the Secretary of State, to take over the job of issuing visas to immigrants, visitors, and others desiring to go to the United States. But the Commission is authorized to delegate the visa-issuing authority to consular officers in areas where visa-issuing is not a full-time function. In such cases, the consular officer would work under the direction of the Immigration Commission, insofar as his immigration duties were concerned.

Under present law, administrative review in deportation and exclusion cases is not assured by statute; it exists at the pleasure of the Attorney General in the form of a Board of Immigration Appeals set up by executive order of the Attorney General. Nor is the Attorney General bound by the decisions of his Board. Under the proposed act, adjudicative functions within the Commission framework would be performed by hearing officers and finally by a Board of Immigration and Visa Appeals (sec. 108). The Board's independence is assured by a statutory grant of jurisdiction and by provision for fixed terms for Board members who would be appointed by the President, confirmed by the Senate, and who would be removable only for cause (sec. 107). This Board is empowered to hear appeals and to review the decisions of Commission officers, including decisions on the denial of visa applications.

The membership of the Board is set at nine. The Board may act through panels of three or more members. (The present Board has a backlog of over 12,000 cases.) The Board is empowered to sit, in panels, in any part of the country or abroad.

As is generally true of other independent agencies, the Commission, under the proposed act, would be governed by the Administrative Procedure Act (sec. 109). This assures a separation of prosecuting and adjudicative functions, and fair and open hearings. At the same time, the proposed act is sensitive to the needs of national security. Thus, in the case of the exclusion of an alien, evidence need not be revealed which the Attorney General certifies would seriously impair the security of the United States or a source of confidential information (sec. 304).

The provisions of the proposed act with respect to hearings are designed to afford fair treatment under clear and uniform procedures. The present law is subject to the objection that it contains complex provisions for different types of hearings in various situations affecting aliens. The proposed act provides uniform hearings on adequate notice. The proposed act requires that an alien be informed of his right to be represented by counsel. Hearings under the proposed act would be open and public, unless it is determined by the examiner or the Board that national security requires a closed hearing (sec. 108).

The proposed act would require that all decisions be based upon a record, be in writing, and state the reasons therefor.

Under the McCarran Act the alien may suffer lengthy confinement during any proceedings questioning his right to enter or remain in this country. The proposed act guarantees the privilege of reasonable bail. It would permit the denial of bail in cases involving the national health or security, or in the cases of aliens ordered deported but who have not left the country.

The Commission would have the power to impose reasonable conditions upon an alien released from custody, designed to assure his availability and to protect the public interest (sec. 111).

Board decisions, except in the case of visa denials, would be subject to limited review at the court of appeals level (sec. 110). This would be a significant change; the decisions of the present Board are, in legal effect, no more than recommendations to the Attorney General. The only recourse from a decision of the Attorney General is the writ of habeas corpus which is available only in a limited number of cases.

The proposed act gives the Commission authority to prescribe by rules and regulations many of the administrative details for the enforcement of the various provisions relating to immigration, exclusion, deportation, and naturalization. The Commission is given investigatory powers, and is required to report at least annually to the President and to Congress.

B. THE UNIFIED QUOTA SYSTEM—A SUBSTITUTE FOR THE NATIONAL ORIGINS SYSTEM

(Titles I and II, secs. 102 (a) (32), 102 (a) (19) (A), 201–204)

The proposed act abolishes the long-criticized and discredited national origins quota system of selecting immigrants.

This system has been described by religious leaders as an affront to the conscience of the American people. As pointed out in the report of the President's Commission on Immigration and Naturalization, "the test it applied was not the individual worth of the immigrant, but rather the presumed superiority of people from certain areas of the world. Place of birth, not individual capacity or cultural background, was the test."

The national origins quota system has failed. It contemplated that 81.6 percent of quota immigration would come from northern and western Europe, and that 16 percent would come from southern and eastern Europe. Actually only 55.8 percent has come from northern and western Europe and 42.4 percent from southern and eastern Europe. One reason for this is that the countries of northern and western Europe have not wanted and have not used the immigration quotas assigned to them. Since the time the national origins quota system went into effect, only 44 percent of the total quotas available have been used, and 56 percent have remained unused, despite the existence in some countries of long waiting lists of applicants, some of whom have been waiting for 10 or 15 years for a quota number.

The total number of quota visas available under existing law is approximately 154,200 annually, derived from a formula of one-sixth of 1 percent of our 1920 population (excluding Negroes and Indians).

The proposed act, in establishing the new unified quota system (title II), uses the same basic percentage formula as in present law, except that the percentage of one-sixth of 1 percent is applied to the last decennial census (1950) and includes all our inhabitants. Calculation on this basis results in a total immigration quota of approximately 251,100 annually. This means an annual increase of approximately 97,000 in the total quota.

The number 251,000 based on one-sixth of 1 percent of our 1950 population, was not haphazardly arrived at. It represents the consensus of the most outstanding experts in regard to the number of immigrants who can be easily absorbed into our population and into the labor force. The American Federation of Labor and the CIO have supported this estimate. And it is, of course, based on the same percentage now written into the McCarran act, except that the one-sixth percent is applied to our present population instead of to our population in 1920. The use of the 1920 population figure has no basis in logic or reason.

The McCarran act took a few halting steps toward the abolition of racial barriers in our immigration laws, but at the same time erected new barriers. The McCarran act created the so-called Asiatic-Pacific triangle, openly discriminating against so-called orientals. The McCarran act established small maximum quotas for colonial areas, such as Jamaica, thus discriminating against Negroes.

The proposed act makes no radical departures from the traditional pattern of immigration flow to the United States, but sets up a completely nondiscriminatory framework, flexible enough to meet the changing needs of American policy requirements.

The unified quota system is, in fact, chiefly characterized by its flexibility. It is built around the seven following principles:

(a) The establishment of a series of preference groups whose detailed allocation to areas, nations, and classes of individuals, although made by the Commission, and subject to the approval of the President, is guided by a definition, written into the law, of four objectives sought to be served by immigration:

1. To provide for the reuniting of families, and the admission into the United States of close relatives of United States citizens and of alien residents of the United States.

2. To provide for the admission of persons of outstanding technical and professional skills whose services are urgently needed in the United States.

3. To provide for the admission of aliens whose coming will serve American foreign policy requirements of the United States by helping to solve economic and other problems of friendly nations.

4. To provide for granting haven and asylum in the United States for victims of racial, religious, and political persecution.

(b) The reservation of a portion of the total quota for new and self-initiated immigration, for persons without special ties to the United States, on a first-come-first-served basis for those otherwise qualified.

(c) The assurance of a minimum quota to all nations and areas.

(d) The assurance that no one nation will get a preponderant share of the total quota.

(e) The abolition of barriers to immigration based on race or national origin.

(f) The use of the concept of citizenship and residence as a fundamental qualification, rather than national origin in cases where it is found necessary to allocate visas by nations.

(g) The selection of individuals on the basis of personal qualification and need rather than national origin.

Based on these 7 principles the unified quota system provides for the division of the total quota into 5 components. Four of these are preference groups; one is a nonpreference group, the so-called newcomer group.

The four preference groups, and the percentage range of the portion of the total of the quota allocated to each are:

1. Family unification: Not less than 25 percent nor more than 35 percent.
2. Occupational: Not less than 5 percent nor more than 10 percent.
3. Asylum: Not less than 15 percent nor more than 25 percent.
4. National interest: Not less than 20 percent nor more than 25 percent.

The newcomer group is allocated a minimum percentage of 20 percent of the total, plus such additional amounts as are not allocated to the four preference groups.

This is the total limit provided for quota immigration—the ceiling—adjustable every 10 years on the basis of the decennial census.

All quota allocations are required to come within this total limit. But the present deceptive system whereby a large proportion of the total available quota remains unused is abolished. As long as there are would-be immigrants who qualify and desire to come, the quota remains available. Unused quota visas are made available for use in the succeeding year.

For years some of the apologists for the national origins quota system have defended it—even while conceding its national and racial bias—with the argument that no better plan or system had been worked out and was available.

The unified quota system, as formulated in the proposed act, is such a plan. It sweeps away racial and national discrimination, substituting a scheme which assures a regulated and controlled flow of immigration from those areas of the world which logically look to the United States as a haven, and which are capable of contributing useful citizenship material to this country. The proposed act grants the Commission the necessary leeway to adjust immigration to actual needs; but statutory guides are laid down designed to insure a fair and equitable distribution of immigration, and a varied flow.

A major feature of the proposed act is its consolidation, within the quota, of all general immigration, including immigration from the Western Hemisphere. This has been done in order to put all foreign countries on the same basis consistent with the best interests and needs of the United States. Thus the proposed act does not give nonquota status, as present law does, to aliens born in the Western Hemisphere, with the right to immigrate to the United States without limitation as to number.

Under the proposed law, all immigrants, except those in special classes defined as nonquota, will be required to qualify for 1 of the 5 groups, already described, into which the total annual quota is divided.

The first and largest of the five groups, the family unification preference group, includes the blood relatives of citizens of the United States, and the spouses and blood relatives of resident aliens—in both cases through the third degree of consanguinity as computed under civil law (sec. 202 (a)).

The occupational preference group (sec. 202 (b)) includes persons whose admission is especially advantageous to the United States because of their education, technical training and skill and ability to contribute to the national security, health, and welfare.

The asylum preference group (sec. 202 (c)) includes persons oppressed or persecuted because of their race, color, creed, national origin, or opposition to totalitarianism. This preference group will provide a special priority for 2,500 war, occupation or refugee orphans (as defined in sec. 102 (a) (32); also see the special section of this summary, p. 14, dealing with children and orphans).

The national interest preference group (sec. 202 (d)) is designed specifically to advance the foreign-policy interests of the United States by strengthening those areas of the free world whose acute political and economic problems may be alleviated by some emigration. This preference group will also include a priority for orphans.

Finally, the newcomer group (sec. 202 (e)) will consist of aliens who do not qualify for admission under any of the preference groups, but who desire to immigrate to the United States, and who possess all the other qualifications which are required of quota immigrants. The basis of the admission of qualified aliens in the newcomer group is first-come-first-served (sec. 204).

Annual allocations of the total quota among the five groups are to be made by the Commission, subject to the approval of the President. Any unused quota visas are to be reallocated from year to year among other groups (sec. 203).

Although priority in the issuance of visas within the newcomer group is to be determined in the order of application, it is provided that one-half of 1 percent of the number of visas assigned annually to the newcomer group shall be assigned to each nation having a population of 200,000 or more. This provision assures each nation with a population of 200,000 or more of an annual newcomer quota of no less than 250 visas (sec. 204 (c)).

It is further provided that no more than 10 percent of the newcomer group shall be assigned to any one nation. Inasmuch as the minimum in the newcomer group (20 percent of the total) would be about 50,000 annually, the maximum for any nation under such an arrangement would be 5,000. This figure could increase somewhat in proportion to the additions to the newcomer group authorized by the Commission and approved by the President.

A nation, as used in this connection, is defined to mean a colony, a possession or a dependency, all of which are given similar status. But the Commission is given the power to group individual nations into a single quota area (sec. 204 (c)). (See chart.)

Another major feature of the proposed act, to be considered in connection with the unified quota system, is the provision dealing with nonquota immigration. The McCarran Act adopted the main features of pre-McCarran law, except for a new grant of nonquota status to husbands as well as wives of United States citizens, while at the same time withdrawing nonquota status from college and university professors. Under the terms of the proposed act, professors coming to the United States to teach at acknowledged colleges, universities, etc., are restored to their traditional nonquota status.

The unified quota system based on one-sixth of 1 percent of the 1950 United States Census (150 million) provides for the annual issuance of 250,000 immigration visas to be allocated as follows:

Family unification preference, 25 to 35 percent—62,000 to 87,000 visas	Occupation preference, 5 to 10 percent—12,000 to 25,000 visas	Asylum preference, 15 to 25 percent—37,000 to 62,000 visas	National interest preference, 20 to 25 percent—50,000 to 62,000 visas	Newcomer group, 20 percent—50,000 visas
1. Children [1] 2. Parents [1] 3. Grandparents 4. Brothers and sisters 5. Uncles and aunts 6. Other close relatives —of citizens and resident aliens.	Persons especially selected because of their— 1. Special skills. 2. Technical knowledge. 3. Education. 4. Potential contribution to national security. The Commission to consult with Secretaries of State, Defense, Commerce, and Labor in making allocations.	1. Persons threatened with persecution or oppression. 2. Refugees from persecution or oppression. 3. May include up to 2,500 visas for orphans.	1. Visas to be allocated to areas of the world to alleviate acute political and economic problems. 2. May include "surplus population" and persons displaced by war or its aftermath. 3. Allocated after consultation with Secretaries of State and other Government agencies. 4. May include up to 2,500 visas for orphans.	1. To be allocated on first-come, first-served basis throughout the world. 2. Designed to take care of general immigration. 3. Every nation of the world over 200,000 population assured one half of 1 percent of visas in this group. 4. No nation can be issued more than 10 percent of visas in this group. 5. Nations geographically or culturally related may be grouped as one "nation."

[1] Children of citizens, and parents of resident citizens would be nonquota immigrants.

Unused quota visas occurring at the end of each year may be allocated to the various groups for the following year under rules and regulations of the Commission.
All immigrants under the unified quota system would be required to meet the health, education, economic, security, and other standards of the basic immigration laws.

In addition—and this is a vital feature—a nonquota status is given to parents as well as to children and spouses of American citizens (sec. 102 (a) (19) (A)).

At the same time that nonquota status is given to parents of American citizens, the proposed act deprives aliens born in the Western Hemisphere of their nonquota status, as already described.

The effect of these changes is to confine the nonquota status to very special classes of immigrants—children, spouses, and parents of citizens, professors, ministers, and 1 or 2 other technical categories—and to place all general immigration, including immigration from the Western Hemisphere, under the quota system.

Under present and preexisting law it is theoretically possible for all the 130 million natives of Latin America to apply for immigration to the United States without numerical restriction. The fact that immigration from Western Hemisphere nations has been kept within manageable limits in the past has been due largely to arbitrary refusal by consular officials to grant more than a limited number of visas in each country. Such a procedure is obviously unjustified in law and discriminatory in practice. The nonquota status for natives of the Western Hemisphere has thus been largely mythical rather than actual. Under the terms of the proposed act, Western Hemisphere nations would fare better than under the present nonquota status but would at the same time be placed on the same footing with all other nations, subject to the total numerical limitations and to all the other qualifications of quota immigration.

The abolition of the national origins quota system and of national quotas per se results in the wiping out of existing mortgages on the quotas of many small countries—mortgages left over from the operations of the Displaced Persons Act. Under that act, displaced persons who were admitted to this country were charged against the future quotas of the countries in which the aliens happened to be born. The practical result was to cut in half the future quotas of these countries. In the case of Latvia, for instance,

one-half of its quota is used up until the year 2274; in the case of Estonia, until 2146; in the case of Poland, until 2000; in the case of Yugoslavia, until 2014; in the case of Turkey, until 1964. With the termination of the national origins quota system all these mortgages are brought to an end and immigration would begin, after the enactment of the proposed act, with a fresh start.

The proposed act would, in general, enable the United States to make its contribution toward a solution of European population and refugee problems, without the necessity of repeated emergency measures. The proposed act is designed to establish a permanent immigration policy based on world conditions which show no likelihood of alleviation for a long time to come.

The enactment of the proposed act will bring renewed hope to hopeless, persecuted, and distressed people in many lands. Enlightened immigration policies adopted by the United States will provide leadership for other countries which can absorb immigration. Millions of victims of war and of the aftermath of war may thus find opportunity for rehabilitation, to the benefit of the entire free world.

C. SPECIAL PROVISIONS FOR CHILDREN, ADOPTED CHILDREN, AND ORPHANS

(Titles I, II, and III, secs. 102 (a) (32), 202 (c), (d), and 303 (c))

The proposed act gives special attention to children—natural-born, adopted, and orphans. The proposed act facilitates the admission into the United States of alien children of American citizens and of resident aliens, treating adopted children on the same footing as natural-born children.

In recent years there have been many appeals by both private and public agencies, and by thousands of individual citizens, for special legislation to permit alien orphans to be admitted to the United States for adoption.

There has also been a demand for legislation permitting orphans who are adopted abroad by our citizens, especially by our GI's, to be brought back to this country without securing in almost every case, as is now required, the enactment of a private bill.

And finally there has been increased agitation for "doing something" about the many illegitimate children, born abroad to GI fathers—children whose mothers cannot care for them, and who could be made available for adoption by childless couples in the United States.

All these demands have been met in the proposed act by a series of special provisions dealing with adopted children and with orphans.

The proposed act provides, in the first place, that children adopted abroad by American citizens shall be considered as nonquota immigrants, the same as natural-born children, and be admitted freely without being charged to any quota.

The proposed act then makes special provision for the annual entry of up to 5,000 war, refugee, or occupation orphans (as defined in sec. 102 (a) (32)). This is accomplished by providing a priority within the asylum preference group (sec. 202 (c)) and within the national interest preference group (sec. 202 (d)), for 2,500 orphans each, annually.

Thus permanent statutory authority is provided to allow the admission of 5,000 orphans annually—if that many are demanded for adoption and qualify. This should do much to eliminate the flourishing "black market" in babies, and at the same time help solve a critical social problem in many countries of Western Europe.

"War, occupation, or refugee orphans" are defined (sec. 102 (a) (32)) as children under 10 years of age who have been orphaned by the death or disappearance of both parents, or who have been abandoned or deserted by, or separated and lost from both parents. The definition also includes a child who has only one parent due to the death or disappearance of the other parent where there is reasonable ground to believe that such other parent was a member of the Armed Forces of the United States. If the remaining parent is unable to care for the child and agrees to release the child for immigration and adoption, the child can be admitted into the United States for adoption.

All these orphans must be coming either to be adopted by American citizens or alien residents, on the basis of assurances given by such citizens or residents, or be coming under the sponsorship of a public or private agency approved by the Commission, with assurances that adoption or guardianship proceedings will be initiated for such orphans.

The provisions of the proposed act and the rules and regulations to be adopted by the Commission would adequately protect not only the American families who might wish to adopt these orphans, but would also protect the orphans' health and safety.

The McCarran-Walter Act makes no provision for an infant child whose birth occurs at a time when it is inconvenient or impossible for the parents to obtain the proper documents necessary for the child's admittance into the United States. Sometimes the children are born en route to the United States, or are born prematurely during a vacation trip to Canada or Mexico. The proposed act (sec. 303 (c)) would prevent the exclusion of any child under 1 year of age accompanied by his parents, one or both of whom are citizens of the United States. This protection would also extend to a child under 1 year of age who has been born to alien parents after their visa or reentry permit has been issued. These safeguards are designed to prevent arbitrary barring of infant children from admission into the United States with their parents.

D. SPECIAL PROVISIONS FOR VICTIMS OF PERSECUTION; THE GRANTING OF ASYLUM

(Titles I, II, and III, secs. 102 (a) (18) (B) (vi), 202, 302 (a) (4))

One of the new features of the proposed act is a series of special provisions designed to translate into legislative effect the traditional United States policy of providing asylum for victims of political, racial, and religious persecution.

This undertaking is reflected, first, in the basic quota provisions (sec. 202), in which one of the preference groups is reserved for persecutees as defined (in sec. 202): "persons whose coming will further the traditional policy of the United States of offering asylum and refuge to persons oppressed or persecuted, or threatened with oppression or persecution, because of their race, national origin, color, religion, adherence to democratic beliefs, or their opposition to totalitarianism or dictatorship."

An additional innovation of the proposed act is an arrangement whereby the Secretary of State is given authority to certify for temporary admission into this country "executive, legislative, or judicial officials or leaders of national opinion of any foreign state who seek political asylum in the United States." [Sec. 102 (a) (18) (B) (vi).] This provision requires the Secretary of State to certify that the admission of such persons is "in the interest of the United States." Under these terms, officials of foreign governments who escape, for instance, from behind the Iron Curtain or are forced to flee from a Latin American country because of an armed uprising, may be granted, on the certification of the Secretary of State, temporary haven in the United States as nonimmigrant visitors. Thus, the United States will be able to provide political asylum as Switzerland does.

In regard to this special class of refugees, there is no fixed requirement that they must satisfy all the standards established for other immigrants or even nonimmigrants. All such requirements may be waived at the discretion of the Secretary of State if the Secretary of State finds that the entry of these individuals is in the interest of the United States.

A further provision dealing with asylum from persecution (sec. 302 (a) (4)) authorizes the Commission to grant to a person fleeing for his life from political, religious, or racial persecution special permission to enter the United States, even though he may not have a visa. Such a fugitive must be otherwise eligible, in all respects, to receive a visa, and must have been unable to obtain the visa because he fled in imminent danger of his life from political, racial, or religious persecution.

E. NONIMMIGRANTS

(Titles I and III, secs. 102 (a) (18), 305)

With respect to various classes of nonimmigrants, such as visitors, diplomats, students, and treaty merchants (sec. 102 (a) (18)), it has always been necessary to vest power to waive what might otherwise be grounds for exclusion. Under the proposed act that power is vested in the Commission (sec. 305) in regard to all aliens except those in diplomatic categories (102 (a) (18) (A), (B), and (C)) who receive their visas at the direction of the Secretary of State. Waivers may be granted on such terms and conditions as the Commission deems appropriate to protect the national health and security, and all waivers of more than 30 days' duration must be reported annually to Congress.

The McCarran-Walter Act has been administered as though there were no logical basis for differentiation between an immigrant for permanent residence and a visitor seeking to enter the United States for business or for pleasure; or to lecture, to take part in a scientific seminar or conference, or a gathering of scholars or artists or for consultation with other specialists in the sciences or the arts.

Scientific research in a variety of fields, for instance, has suffered significantly in the United States, because of the inability of foreign scientists and scholars to enter after being invited here to attend such meetings and conferences. Many international conferences on science and technology which might otherwise be held in this country are now being scheduled elsewhere, to our great loss in scientific knowledge, business, and prestige.

Admission for permanent residence is properly denied to actual or potential subversives, but the privilege of even a temporary visit to the United States is now also being denied in the cases of persons whose political thinking appears to deviate in any marked way from orthodox political concepts. Were such a criterion to be applied on a reciprocal basis by other countries, no American citizen devoted to the principles of free speech, free press, and free worship would be admissible even as a tourist to totalitarian countries or to any countries with basic political concepts different from our own.

The purpose of the waiver provision in the proposed act is to restore reason and flexibility in the case of the nonimmigrant, subject only to measures necessary for the protection of the national health and security.

F. ENTRY, EXCLUSION AND DEPORTATION OF ALIENS: PROVISIONS TO PROMOTE THE SECURITY AND WELFARE OF THE UNITED STATES

(Titles I, III, and IV, secs. 102 (a) (15), 102 (a) (28), 301, 302, 323, 333–336, 341 et. seq., 361 et seq., 367, 413, 414, and 422)

One of the major goals of the proposed act is to eliminate discriminatory and unnecessarily harsh provisions contained in the McCarran-Walter Act relating to exclusion and deportation; to guard against abuse of administrative discretion; and to provide adequate safeguards against the admission or

retention in the United States of subversives or other undesirable aliens. This objective is sought to be achieved in various sections of title III.

It is recognized that the American people rightly desire that our immigration laws contain all provisions necessary to insure us against infiltration by subversive elements. Self-defense and common sense require that every possible and reasonable precaution be taken to prevent the admission of individuals whose purpose is to subvert or overthrow the Government of the United States and our democratic way of life. The same strictures are pertinent in regard to the admission of criminal elements or other undesirables. In the proposed act every practical protection has been provided for our national security. Comprehensive and workable standards are established so that genuine subversives and anti-democratic elements are barred from admission. Provision is made for the deportation of those who, despite all precautions, obtain entry to this country.

In fact, the antisubversive provisions of the proposed act are designed to be more effective than those in the McCarran Act.

The McCarran Act erects such a confused and contradictory network of antisubversive provisions that it catches many anti-Communists in its web while allowing true subversives, both Fascist and Communist, to slip through.

Thus, while the McCarran Act erects a Maginot line of defense against all individuals guilty of dangerous thoughts or associations, who seek to come to the United States through the conventional channels of immigration, the McCarran Act establishes virtually no safeguards against the surreptitious entry of spies and saboteurs across the Mexican and Canadian borders. Nor does the McCarran Act contain any barriers against the admission of Nazis.

The proposed act (sec. 301) sets forth 15 categories of aliens defined as ineligible to receive visas. A valid visa is, of course, a prerequisite for admission. Exceptions from the rigid standards of eligibility and the right to waive some of the grounds of ineligibility are duly provided for, where an admission would not be contrary to the best interests of the United States. Generally speaking, aliens who are mentally defective, who have contagious diseases, who are criminals or subversive, or who are otherwise undesirable for the reasons enumerated in section 301 are ineligible to obtain visas.

Among the classes of aliens most clearly ineligible for admission are those who have advocated or taught subversive doctrine, or who have been members of or affiliated with any organization which advocates or teaches subversive doctrine. Aliens ineligible under these provisions may be admitted if their activities or affiliations were terminated at least 5 years prior to the application for a visa, and their entry would not be contrary to the best interests of the United States (Sec. 301 (i) (2)).

The term "subversive doctrine" is defined in Sec. 102 (a) (28) (A) to (F) inclusive, and under the three subsequent subsections (G) to (I) inclusive. In accordance with these provisions, certain organizations are defined as subversive per se. These are: The Communist Party of the United States or of the Soviet Union; or any other Communist Party in any other country, affiliated with either the Communist Party of the United States or of the Soviet Union; the National Socialist Party of Germany or any of its paramilitary affiliates; and any successor parties to the above-named which advocate or teach subversive doctrine.

The definition of "subversive doctrine" is so written as to bar aliens who advocate: (a) opposition to all organized government or forms of law; (b) the overthrow of the Government of the United States by force, violence or other unconstitutional means; (c) the establishment of a totalitarian dictatorship in the United States (which is itself defined in sec. 102 (a) (29)); (d) the duty, necessity or propriety of the assassination of public officials; (e) the unlawful destruction of property, or the extermination or persecution of persons because of race, religion or ancestry.

Membership in or affiliation with an organization which advocates or teaches subversive doctrine (sec. 102 (a) (15)) means voluntary membership or affiliation when over the age of 16 with knowledge that the organization advocates or teaches subversive doctrine. "Voluntary" membership or affiliation does not include joining a "subversive" organization when required to do so by law, without personal belief in the subversive doctrine taught or advocated, or solely for the purpose of obtaining employment, education, food or other essentials of life.

The classes of undesirable applicants for admission also include those who seek to enter the United States for the purpose of engaging in commercialized vice, who are paupers, professional beggars, vagrants, or who are likely to become public charges; and also aliens who have been convicted of violating laws relating to traffic in narcotic drugs (sec. 301 (c), (d), (e) and (k)).

Except where a charge of crime is made for political purposes, aliens who have been duly charged with committing a crime involving moral turpitude are ineligible for visas (sec. 301 (l)), as are those who desert from the armed forces or remain abroad in order to avoid military service (sec. 414).

Aliens who have assisted any other alien to enter the United States illegally are themselves barred, as are, of course, all aliens who have attempted to enter by willful and material fraud (sec. 301 (o) and (p)).

The proposed act makes improvements in the present system of keeping a check on undesirable aliens. All investigative agencies are directed to keep the Commission advised of relevant information they may gather regarding any alien who may apply for admission, or who may enter the United States, so that all such information will eventually be concentrated in one place, where it can be acted upon promptly and effectively, thus avoiding duplication, waste, and delay (sec. 116).

The proposed act is generally more uniform than the McCarran Act in its application of similar standards to all aliens. Substantially the same provisions relating to eligibility for visas are to be found in the sections relating to deportation and to naturalization (secs. 341, 413, 422).

As pointed out elsewhere, the proposed act, by creating a single agency to administer the immigration laws, minimizes the chances of cruel and unnecessary loss and injury to would-be immigrants, who, under the McCarran Act, may be granted a visa abroad by the consular service and denied admission at the port of entry by the Immigration Service (sec. 302).

Under the proposed act, visa-granting officers of the Commission are bound to exercise great care before issuing a visa (sec. 322), and the alien whose eligibility for admission is established is then assured that, except for one or more of several contingencies provided for in the proposed act (sec. 302 (b)), his trip to the United States will not be in vain, and he will be admitted.

The idea of making a visa a virtually certain guaranty of admission into the United States is also applied to reentry permits. Under existing law, a resident alien, duly admitted and about to leave the country for a temporary visit abroad, may apply for and receive a reentry permit. But the permit is of no practical validity. When the alien returns to an American port, he is treated as if he had never before been admitted, and he may, and frequently is, denied admission on any one of a wide variety of grounds. This is the notorious new-entry doctrine which the proposed act would abolish. Under the proposed act an alien having his home in the United States and desiring to go temporarily abroad may be denied a reentry permit on security or other grounds (sec. 323). But if he is granted a reentry permit, he is guaranteed a return to the United States, except under certain few and clearly defined circumstances (sec. 302).

The proposed act would nullify the effect of a visa or reentry permit in those cases where it was procured by willful and material fraud; or where new evidence, discovered after the issuance of a visa, would, if it had been known, have made the alien ineligible for a visa; or where he fails to meet other specified conditions contained in the proposed act (sec. 302 (b)).

As a general rule an alien previously admitted to the United States but who has gone abroad for a temporary stay is to be excluded only if, while he was abroad, he was convinced of a crime involving moral turpitude; or if he seeks to reenter to engage in criminal activities; or if, while abroad, he has advocated or taught subversive doctrine, or joined with or become associated with a subversive organization; or if he has for gain assisted any other alien to enter the United States in violation of law (sec. 303).

In these respects, the provisions of the proposed act in regard to reentry permits are similar to those governing visas: Aliens who are undesirable for security or for other reasons set forth in the proposed act are not admitted or allowed to enter the United States, even if they have a visa or reentry permit (sec. 302 (b)).

On the other hand, the possibilities for arbitrary, capricious, and otherwise unfair treatment of aliens is greatly minimized. Procedures are created for hearings and for appeals from adverse rulings, and all proper precautions are taken to provide safeguards against discrimination and other injustices, and to assure humane and impartial consideration to all who come to the United States to visit or to stay.

The proposed act requires the examination and inspection of all arriving aliens, other than those who are not excludable, and the prompt deportation of those who are not entitled to enter (secs. 333–336).

Nine classes of aliens who are or may become deportable are defined in the proposed act (sec. 341). These include aliens who are (1) found to have obtained admission through fraud; or (2) enter the United States without inspection; or (3) violate a condition of admission; or (4) become public charges within 5 years after entry for reasons not shown to have arisen after entry; or (5) are sentenced and confined in prison for a term of at least 1 year upon conviction of a crime involving moral turpitude, committed within 5 years after entry; or (6) within 10 years after entry, are sentenced more than once for such offenses; or (7) are convicted at any time after entry of any crime involving commercialized vice; or (8) are convicted at any time after entry of violating laws relating to narcotic drugs; or (9) within 5 years prior to the issuance of a warrant of arrest in deportation proceedings, advocated or taught or were members of or affiliated with organizations which advocated or taught subversive doctrine.

It is provided that conviction, as used in this connection, shall not apply to crime committed by aliens under 16 years of age, or those which have been pardoned, or to convictions where the court recommends that deportation is not warranted. In addition, the Commission is given authority to waive deportation for a single crime where serious hardship would occur and where continued residence in the United States would not be undesirable (sec. 301 (b)).

No alien who has been admitted for permanent residence before his 14th birthday may thereafter be deported, nor an alien who

has lived as a permanent resident of the United States for 20 years or more (except as a fugitive from justice) (secs. 341, 342).

The proposed act contains detailed provisions for the arrest and detention of aliens believed to be deportable (secs. 343 et seq.). Ordinarily, the Commission is given a period of 6 months within which to effect the alien's departure. Aliens ordered to be deported are given an opportunity for judicial review, but meanwhile remain subject to supervision by the Commission.

Aliens who are to be deported may select the country to which they wish to go, if the country in question will receive them, unless prejudicial to the interests of the United States. If a deportable alien is unable to or fails to arrange to be received in the country of his choice, his deportation is then to be arranged by the Commission (sec. 344).

Appropriate provision is made to defray the expenses of deportation. Deportable aliens who can prove good moral character for the preceding 5 years are permitted to leave at their own expense without the stigma of deportation (sec. 345).

All aliens who remain in the United States for more than 30 days are required to be fingerprinted and registered, and to notify the Attorney General of any change of address (secs. 361 et seq.). But failure to carry a registration card or to notify the Attorney General of a change of address, while a misdemeanor if it is a willful failure, is not made, ipso facto, a ground for deportation, as such a failure is under the McCarran Act.

The proposed act contemplates that all information with respect to registration of aliens will be kept in a central place, and the Attorney General is given full authority to administer and enforce the registration provisions (sec. 367).

Scattered through the proposed act are provisions imposing maximum penalties, some giving the Commission authority to assess and collect fines, and other provisions defining offenses punishable by the courts. In addition, chapter 8 of title III contains general penalty provisions, in which a number of offenses are defined and appropriate penalties provided. This chapter also provides for the detention and prompt deportation of alien stowaways.

In general, the proposed act is much more definite than the McCarran Act in its treatment of aliens who apply for visas, who are admitted or excluded, and those who, if admitted, thereafter become deportable and are ordered to be deported. Full recognition is given to the gravity of the issues involved in the decisions to grant, revoke, or deny visas, or to exclude or deport.

The proposed provisions under which children admitted prior to the age of 14 and aliens who have resided in the United States for more than 20 years are made immune to deportation reflect tested principles long recognized in our general body of laws covering criminal offenses and civil liabilities.

The deplorable tendency in recent immigration legislation to remove limitations of time within which the Government is required to act in order to deport an alien is reversed in the proposed act. Under the McCarran Act an alien living in the United States who joined the Communist Party at any time in the distant past—perhaps 20 or 30 years ago—is subject to deportation even though he may have left the party soon after poining, and may have subsequently become a strong anti-Communist.

Under the McCarran Act the Government is required to deport such an individual, thus causing great distress and hardship on members of his family. At the same time, the McCarran Act admits aliens who, 5 years or more previous to their admissions to the United States, may have been active members of the Communist Party.

It should be emphasized that the present provision for deportation of resident aliens who have, in the past, belonged to subversive organizations is retroactive and penalizes persons whose acts were not proscribed at the time the actions were taken. The proposed act eliminates this inconsistent retroactivity.

Banishment or exile is a severe penalty, the relic of another day and age. In many cases it is a much greater punishment than any provided by the criminal laws, and should not be imposed under conditions where no criminal prosecution could be brought. That goal has not quite been reached in the proposed act but the new proposals are a marked improvement, at the same time containing adequate provisions to guard the security, the health and the welfare of the United States.

G. ALIEN CREWMEN

(Title III, secs. 352, 354–357)

The provisions of the McCarran-Walter Act (secs. 251–257) which deal with the admission and exclusion of alien crewmen have been widely criticized as unworkable and unfair. The press of the major maritime countries of the world has been filled with reports of the abuse and unfairness involved in the procedures for handling alien crewmen who wish to land temporarily in the United States during the stay of their vessel, or while awaiting assignment to another vessel.

Under the terms of the McCarran-Walter Act, alien crewmen are for the first time required to fulfill the same requirements as immigrants coming to live permanently in the United States. Arriving at the port of entry, they are cross-examined concerning every detail of their past lives and political beliefs and affiliations. This questioning is neither appropriate nor necessary for crewmen who are coming here for only a few days.

Under the proposed act an alien crewman can be prevented from landing in the United States on any ground that would make him ineligible to receive a visa (sec. 352). However, unlike the McCarran Act, the proposed act gives the Commission the power to waive any provision barring the temporary landing of an alien crewman if it determines that the health and safety of the United States would not be thereby endangered.

The McCarran Act makes no provision for informing the excluded crewman of the reasons for denial of a permit to land, and it provides him with no administrative appeal from the decision of minor immigration officials.

The proposed act would not extend to alien crewmen the broad hearing and appeals procedures provided for aliens coming here as permanent immigrants, but the proposed act would provide for expeditious hearings under special rules and regulations, in cases where landing permits for alien crewmen are denied or revoked (sec. 352 (b)).

The proposed act retains all the necessary safeguards to prevent the landing of diseased alien crewmen, and to prevent alien crewmen from illegally remaining in this country by jumping ship, or by being discharged or paid off in the United States without permission of the Commission (secs. 354–357).

The McCarran Act sets an absolute time limit of 29 days for temporary landing permits. This restriction has worked considerable hardship on alien crewmen who have become subject to arrest as a result of sailing delays, or failure to obtain assignment on another ship. The proposed act would leave to the determination of the Commission the time limitation on a valid permit. All waiver cases for stays exceeding 30 days are required to be reported to Congress.

H. ADJUSTMENT OF STATUS

(Title III, sec. 346)

Reasonable and flexible provisions for the adjustment of the status of an alien from that of a nonimmigrant to an immigrant or vice versa without the time-consuming and expensive necessity of leaving and reentering the country have long been needed in our immigration laws. Prior to the McCarran-Walter Act this was possible only through the suspension of a warrant of deportation, a suspension which could be secured only in the case of an alien who had resided here for 7 years or who had lived here for 5 years and could prove to the Attorney General (a) good moral character; and (b) that his deportation would result in serious economic detriment to a citizen or to a legally resident alien spouse, parent, or minor child.

The McCarran-Walter Act (sec. 247) established direct procedures for adjustment of status, permitting a resident alien to adjust his status from that of immigrant to nonimmigrant, and appearing to make it possible (sec. 245) for a nonimmigrant to adjust his status to that of an immigrant. The latter provision, however, seems to be more of a trap for the unwary than a grant of grace. The adjustment may be granted only in the discretion of the Attorney General when, both at the time of the application and at the time of the Attorney General's approval of that application, an immigrant visa is immediately available. The McCarran-Walter Act defines a visa as being immediately available only if the quota is not filled at the time the application for adjustment of status is filed. The McCarran Act provides, moveover, that the very act of filing an application for adjustment of status automatically ends the nonimmigrant status of the applicant. Thus, an alien who files such an application may become immediately subject to deportation if, all unknown to the alien, an immigration visa is not immediately available.

This is a clear illustration of the undue harshness of the McCarran Act, under whose terms broad discretion is granted to the Attorney General to exclude aliens from admission to the United States, or to deport them, but whose discretion to suspend deportation or to permit change of status is severely limited.

With respect to suspension of a warrant of deportation, the McCarran Act (sec. 244 (a)) drastically cuts down the rights existing under prior law. Under the McCarran Act the procedure is restricted to applications filed not more than 5 years after December 24, 1952, by aliens who last entered the United States more than 2 years prior to June 20, 1952. It requires a 7-year residence in the United States, and the Attorney General must be convinced that the alien's deportation would "result in exceptional and extremely unusual hardship to the alien, or to his spouse, parent, or minor child who is a citizen or legally resident alien."

The proposed act (sec. 346) simplifies and combines the two procedures and makes it possible for any legally resident alien, as a matter of right, upon application and appropriate showing to the Commission, to adjust his status. If the adjustment sought is to the status of an immigrant, the alien need merely show that (1) if he were applying abroad, he would be eligible for admission, and (2) a visa is reasonably available in the group for which the alien is eligible. In a case where those facts cannot be shown, the alien may nonetheless obtain the adjustment if he proves good moral character for the preceding 5 years, and that he has resided in the United States for 7 years, or that his departure from the United States would cause "serious hardship to himself or to a citizen or a previously admitted alien who is his spouse or child."

I. CITIZENSHIP AND NATURALIZATION

(Title IV)

The corresponding title of the McCarran-Walter Act was presented to the American people as an advance, because it abolished racial barriers to naturalization. But at the

same time the McCarran Act riveted into law a rigid second-class status for naturalized citizens of the United States and, under this title as elsewhere, vested tremendous power in the unreviewable discretion of the Attorney General. The proposed act grants to naturalized citizens full equality with natural-born citizens, except in cases where naturalization was procured by actual fraud. The proposed act makes other changes to simplify and clarify the law and to bring naturalization and denaturalization procedures back into line with traditional American standards of justice.

J. WHO IS A CITIZEN?

(Secs. 401, 402, and 408)

Citizenship is acquired either at birth or by naturalization. The proposed act (sec. 401) slightly broadens the category of citizens of the United States at birth, abolishing the undemocratic distinction between citizen and national (now applicable to persons born in American Samoa and Swains Island), and (sec. 408) extending citizenship to persons born in Puerto Rico before 1899 (sec. 402).

K. REQUIREMENTS AND PROCEDURES FOR NATURALIZATION

(Secs. 413, 421–423, 431–434, 447)

Except in certain special cases, noted below, a 5-year residence in the United States is required for naturalization. The proposed act returns to pre-McCarran law by abolishing the McCarran Act's conclusive presumption (sec. 316 (b)), that absence from the United States for a period of 6 months or more breaks the continuity of residence for naturalization purposes. An alien absent for less than 1 year will, under the proposed act (sec. 422), be able to show that he had reasonable cause for not having sooner returned to the United States. Absences longer than a year without breaking the continuity of residence are permitted by the McCarran Act only in the case of a person absent in connection with the performance of religious duties (sec. 317). Under the proposed act (sec. 423) this exemption is extended to alien employees of specified types of United States organizations who may be sent abroad in connection with their jobs.

In view of the obvious desirability of having all members of a family group acquire United States citizenship as soon as reasonably possible, our law has always reduced the residence requirement in the case of the spouse of an American citizen and has permitted the naturalization of minor children through the naturalization of their parents. The proposed act reduces the required residence of a spouse of a United States citizen from 3 years to 1 year (sec. 431) and increases the maximum age for derivative naturalization from 15 to 17 (secs. 432, 433). Also the proposed act extends this privilege to legally adopted children (sec. 434). Abuse of these provisions, as through short-lived marriages entered into for the purpose of acquiring citizenship, is guarded against by the provision for revocation of any naturalization procured by fraud (sec. 447).

Subversive activity will bar naturalization. But instead of the vague and general language of the McCarran Act (sec. 313), the proposed act gives a clear and definite test—precisely the same as that applied in an exclusion or deportation case—namely, no alien may be naturalized if at any time within 5 years of filing his petition for naturalization, or at any time prior to naturalization, he has either advocated or taught subversive doctrine or been a member of or affiliated with a subversive organization (sec. 413).

The proposed act retains the literacy requirement for naturalization, but restores it to the form in which it was prior to the McCarran Act, requiring that the petitioner be able to read. No writing requirement is provided (sec. 421).

In accordance with the modern trend in all fields of law, the proposed act permits naturalization on an affirmation rather than an oath in the case of a person whose religion forbids the taking of an oath (sec. 444).

No basic change is proposed in the procedure for obtaining naturalization. The proposed act does, however, restore the law to what it was prior to the McCarran Act in two important respects:

First, it eliminates the mandatory requirement of the so-called neighborhood check of the petitioner, leaving to the discretion of the Commission the scope of the investigation in any particular case.

Second, it deletes the provision of the McCarran Act (sec. 335 (d))—completely foreign to American concepts of proper administrative procedure—which permits the naturalization examiner, a subordinate employee of the Attorney General, to be represented in court by separate counsel, in cases in which the Attorney General has overruled the examiner.

Under the proposed act the court would have before it the complete record of the Commission's action on the naturalization petition, including, as a part of the record, the examiner's decision.

L. SPECIAL NATURALIZATION PROCEDURES FOR GI'S; EXPEDITED NATURALIZATION FOR WARTIME SERVICE IN KOREA

(Secs. 436–438)

The privilege of accelerated acquisition of United States citizenship through wartime service in the Armed Forces of the United States is granted, as in present law, to veterans of World War I, World War II, and the Korean conflict. Ninety days of such wartime service is required. In the case of Korea, the service must be during the period June 25, 1950, through July 1, 1955 (sec. 437 (b)).

Service in the Armed Forces during peacetime or other than in the Korean conflict is required to amount to 3 years in order to qualify the alien for citizenship (sec. 437 (a)). Arrangements for naturalization in the field and standards for determination of honorable service are also included (sec. 438) in the proposed act. A much simpler procedure is provided than under present law.

The proposed act reverts to the law as it was prior to the McCarran Act in restoring a simplified procedure for the naturalization of persons who lost their United States citizenship by serving in the armies of the allies of the United States during World War II (sec. 436).

M. LOSS OF CITIZENSHIP AND REVOCATION OF NATURALIZATION

(Secs. 447, 451, and 452)

Loss of United States citizenship, whether acquired by birth or by naturalization, is a drastic penalty. The McCarran Act (sec. 349) contains a long list of acts which automatically cause loss of citizenship. If citizenship was acquired by naturalization, those acts may include mere residence abroad for as little as 3 years (sec. 352). Moreover, the effect of these provisions in every case is to place upon the person whose citizenship is thus forfeited the burden of proving that he did not, in fact, commit the act on the basis of which our Government now strips him of citizenship.

Under the proposed act, two basic changes are made:

First, the list of acts which automatically would cause loss of citizenship is limited to (1) renunciation of United States citizenship, (2) obtaining naturalization in a foreign nation, (3) desertion in time of war, (4) leaving the country to avoid military service, (5) conviction for treason, or (6) an attempt to overthrow our Government by force of arms (sec. 451).

The McCarran Act (sec. 349) specifies additional grounds, e. g., taking an oath of allegiance to a foreign state, serving in its armed forces, accepting or serving in an office under a foreign government if foreign nationality is thereby acquired, and voting in a foreign political election. Under the proposed act only the taking of an oath of allegiance, or service in the armed forces of a foreign state after having acquired its nationality, in each case without compulsion, will result in a loss of citizenship. In such a case, as in a proceeding for revocation of naturalization, loss of citizenship would result only from a decree of a United States court in a proceeding brought by the Commission for forfeiture of citizenship, in which the Commission would have to sustain the burden of proof, e. g., to show that by swearing allegiance to a foreign state the defendant acted without compulsion (sec. 452).

All distinctions between native-born and naturalized citizens are abolished by the proposed act so that mere residence abroad, even in the country of birth or former citizenship, will not, as it does under the McCarran Act (sec. 352), forfeit United States citizenship.

With respect to revocation of naturalization, the proposed act would restore the law to what it was prior to the McCarran Act. The basic ground for revocation of naturalization has always been fraud in its procurement. However, the McCarran Act (sec. 340) contains a broad definition of fraud which may include an unintentional concealment of a material fact, even where the petitioner for naturalization did not think it was material or had forgotten it. The McCarran Act also has provisions under which such things as refusal to testify before a congressional committee (sec. 340 (a)), residence in the country of birth (sec. 340 (d)), or joining a subversive or front organization (sec. 340 (c)), after naturalization, may give rise to a conclusive presumption that the naturalization was procured by fraud. These provisions are of doubtful constitutionality as they stand in the McCarran Act. However, the proposed act (sec. 447), eliminates them as un-American. It leaves naturalization revocable only for an act found by the courts to constitute fraud in its procurement. Action for revocation of naturalization must be brought within 10 years after citizenship was granted, an extension of the statute-of-limitations concept to the field of naturalization.

N. NO PROTECTION OF THE RIGHTS OF CITIZENSHIP

(Sec. 455)

Both under the McCarran Act and under prior law, a person denied a right or privilege of citizenship on the ground that he is not a citizen must seek confirmation of his status by suit for a declaratory judgment in the United States courts. However, under the McCarran Act, despite the fact that the Government may assert citizenship to be lost while the individual is abroad, the suit to confirm the citizenship status may be brought only if the plaintiff is within the United States (sec. 360 (a)).

Under the proposed act (sec. 455), the action could be instituted while the plaintiff is outside the United States and the court may, if it finds that the suit was instituted in good faith, order the issuance of a certificate of identity to the plaintiff, permitting him to come to the United States while the suit is pending. If he loses the case, the plaintiff is made immediately deportable.

O. JOINT CONGRESSIONAL COMMITTEE

(Title V, sec. 501)

The McCarran-Walter Act established a joint congressional committee which was given broad—far too broad—powers in connection with the administration of our immigration and naturalization laws. The basic idea of a Joint Committee on Immigration and Naturalization is a useful one. But

the provisions of the McCarran-Walter Act setting up this committee are violently inconsistent with sound Government practices.

Under the McCarran-Walter Act power is given to the joint committee to participate in the administration of the act. Subordinate administrators are required to report directly to the joint committee, a gross violation of the concepts of sound government and of the doctrine of the separation of powers as between the legislative and executive branches of Government.

Moreover, under the terms of the McCarran-Walter Act, membership on the joint committee is reserved to members of the Judiciary Committees of the House and Senate. This reflects the basic philosophy inherent in the McCarran-Walter Act that immigration policy is solely and entirely a matter of police powers, of investigation, apprehension, prosecution, and punishment, and is of only legal concern.

The proposed act is based on quite another philosophy, namely, that immigration and naturalization policy has much wider ramifications, involving foreign policy, economic policy, and the public welfare generally.

Consequently, in the proposed act (sec. 501), the joint congressional committee is first of all confined in its jurisdiction and functions to matters of legislation and legislative inquiry; secondly, the committee is broadened to include representation of the Foreign Relations and the Labor and Public Welfare Committees, as well as of the Judiciary Committee. The joint committee is, of course, retained as a bipartisan committee. The distribution of membership in each House is as follows: 3 from the Judiciary Committee, 2 from the Foreign Relations Committee, and 2 from the Committee on Labor and Public Welfare.

Such a joint committee, with broad representation and clearly defined legislative functions, can usefully operate to keep a vigilant eye on the administration of our immigration laws and the effect of those laws and policies upon our relations abroad, upon our economy at home, and upon the welfare of the country as a whole.

EXTENSION OF TIME TO FILE REPORT OF JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. DOUGLAS. Mr. President, according to the text of the Employment Act of 1946, the Joint Committee on the Economic Report is supposed to file its report on the 1st of March. The committee voted unanimously yesterday morning to request that it be given until March 15 to file its report. I ask unanimous consent that this additional time be granted to the committee.

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

PRELIMINARY REPORT OF THE UNITED STATES COMMISSION FOR THE CELEBRATION OF THE 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON (S. DOC. NO. 12)

Mr. MUNDT. Mr. President, Senate Joint Resolution 140, which was passed by the 83d Congress, 2d session, established a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton. Section 6 of Public Law 601 requires the Commission to make a report to Congress on or before March 1, 1955. As chairman of the Alexander Hamilton Bicentennial Commission, I submit a preliminary report, and I ask unanimous consent that it be printed in the RECORD at this point, and also that it be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, the report will be printed in the RECORD; and, without objection, the report will also be printed as a Senate document.

The preliminary report, presented by Mr. MUNDT, is as follows:

PRELIMINARY REPORT OF THE UNITED STATES COMMISSION FOR THE CELEBRATION OF THE 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON, WHICH OCCURS IN 1957

WASHINGTON, D. C., *February 24, 1955.*

To the Senate and the House of Representatives:

Senate Joint Resolution 140, to establish a Commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton, passed by the 83d Congress, 2d session, was approved by the President on August 20, 1954 (Public Law 601, ch. 770).

Pursuant to the law:

The Speaker of the House of Representatives, on August 21, 1954, appointed the following Representatives as members of the Commission:

Hon. FREDERIC R. COUDERT, JR., of New York.
Hon. THOMAS E. MARTIN, of Iowa.
Hon. PETER W. RODINO, JR., of New Jersey.
Hon. JOHN J. ROONEY, of New York.

The President of the Senate on November 17, 1954, appointed the following Senators to be members of the Commission:

Hon. HARRY FLOOD BYRD, of Virginia.
Hon. THOMAS C. HENNINGS, JR., of Missouri.
Hon. IRVING M. IVES, of New York.
Hon. KARL E. MUNDT, of South Dakota.

The President of the United States on January 11, 1955, the 198th anniversary of Hamilton's birth, appointed the following persons as members of the Commission:

Milton G. Baker, of Pennsylvania.
Edward R. Burke, of Maryland.
Mrs. Marie Coffin, of the District of Columbia.
George M. Humphrey, Secretary of the Treasury.
Laurens M. Hamilton, of Virginia.
John A. Krout, of New York.
Clark Haynes Minor, of New York.
Mrs. Margaret W. Patterson, of New York.

On February 1, 1955, at the call of the Secretary of the Treasury, the Alexander Hamilton Bicentennial Commission met in the Secretary's office for the purpose of organization. Senator KARL E. MUNDT was elected Chairman, and Representative FREDERIC R. COUDERT, JR., was elected Vice Chairman, pursuant to the terms of the law. Mr. W. Randolph Burgess, Under Secretary of the Treasury for Monetary Affairs, was named Secretary of the Commission, and Mr. Robert A. Dillon, of the Treasury Department, was named Assistant Secretary.

The Commission established an Executive Committee of 5 members, consisting of the Chairman, the Vice Chairman, and 3 to be appointed by the Chairman. The Secretary was made an ex officio member of the Executive Committee. The Chairman named Mr. Burke, Mr. Hamilton, and Representative ROONEY to serve with himself and the Vice Chairman on the Executive Committee.

The Executive Committee of the Commission met in Senator MUNDT's office on February 7, 1955. The executive offices of the Commission were established at 1624 I Street NW., Washington, D. C., through the courtesy of the American Good Government Society, and research space has been assigned by the Library of Congress in its Manuscripts Division.

J. Harvie Williams, of the District of Columbia, was appointed Director of the Commission, and Dr. Frank Monaghan, also of the District of Columbia, was appointed Historian of the Commission, to prepare a report for the Commission on plans and a program for signalizing the bicentennial of Alexander Hamilton in 1957, in accordance with section 2 of Public Law 601, which requires the Commission to give due consideration to any plan or plans which may be submitted to it.

Meanwhile, the term of Representative Thomas E. Martin having expired with the 83d Congress, the Speaker of the House appointed Representative CARROLL REECE, of Tennessee, as a member of the Commission.

Section 6 of Public Law 601 requires the Commission to make a report to Congress on or before March 1, 1955, in order that further enabling legislation may be enacted. In view of the extremely limited time since the Commission was organized it is not prepared at this time to make definitive recommendations with respect to the programs of the Commission which might require such legislation. However, such a report will be made at the earliest possible date, perhaps by May 1, 1955.

During the 10 months between Senator MUNDT's introduction of Senate Joint Resolution 140 and the organization of the Commission, informal work was done in behalf of its ultimate objectives. Indicative of the intense interest in Alexander Hamilton and his contributions to the building of the Republic is the fact that several national organizations had established special committees to cooperate with the proposed Commission, when appointed.

Within 10 days of their appointments the Director and the Historian met in Washington with special committees of the Manuscript Society and the American Association for State and Local History. Both of these committees, representing more than 1,800 private collectors, museums, local libraries, and historical societies, have already submitted varied and excellent proposals which are now under consideration by the Commission, together with others from within and without the Commission.

Our heartening experience with these two prominent organizations leads us to expect equal cooperation from other national groups in strategic positions to further the ultimate program of the Commission.

Among the suggestions made to the Commission from every informed source is the publication of an adequate and comprehensive edition of Hamilton's papers. Previous editions of Hamilton's works, inadequate as they were, have long since been out of print, and are generally unavailable. The unpublished Hamilton materials now available, together with a reediting of previously published manuscripts will provide the solid foundation for what the report of the Senate Committee on the Judiciary called the finest monument that could be erected to Hamilton. This and all other proposals which have been or may be made will receive careful consideration by the Commission.

The Commission plans to submit a comprehensive report with recommendations on or about May 1, 1955.

Respectfully submitted.

KARL E. MUNDT,
Chairman, Alexander Hamilton Bicentennial Commission.

EXTENSION OF AUTHORITY FOR THE PRESIDENT TO ENTER INTO TRADE AGREEMENTS—AMENDMENTS

Mr. WATKINS. Mr. President, I submit proposed amendments, in the nature of a substitute, intended to be proposed by me to the bill (H. R. 1) to extend the authority of the President to enter into

trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and ask that they be printed, and appropriately referred.

I have prepared a statement completely explaining my views on this problem which I desire to submit as part of my remarks.

In explanation of the proposed amendments, I wish to make just a short description.

The amendments are designed to bring the tariff-making procedure of the United States back into equilibrium again. This they do by the following:

First. Continuing to provide for utilizing the administrative facilities and services of the executive branch of the Federal Government for the negotiation of trade agreements under standards and within limits of congressional delegations.

Second. Revitalizing the United States Tariff Commission by establishing criteria as a basis for its escape clause recommendations which also must be definite and specific and which are so designed as to insure that congressional policy is carried out.

Third. Reserving to the Congress the final decision on escape clause recommendations of the Tariff Commission.

Briefly, the amendatory substitute I am introducing for H. R. 1 provides for:

First. The extension of the trade agreement program. In this respect, it recognizes that the actual negotiation with regard to the thousands of items covered by trade agreement and tariff legislation is best handled by the executive branch of the Federal Government.

Second. It increases to seven the number of Commissioners of the United States Tariff Commission, and provides for 7-year terms. Since the Commission is an expert body, it is essential that continuity of policy and decision be provided for in the Commission's organizational structure. This is best assured by having an odd number of Commissioners, with long tenure, and with one member leaving the Commission each year.

Third. It returns to the Congress substantive control over trade and tariff legislation, by requiring the Tariff Commission to keep the Congress informed as to the effect, before their conclusion, of proposed reciprocal trade agreements; in the case of findings of the Tariff Commission on escape-clause actions, it reserves to either House of Congress the power by a majority vote of its members to override such findings, which otherwise, in the absence of such a vote, would become final.

Fourth. It sets up a procedure—very similar to the method used in the Reorganization Act—by which the recommendations of the Tariff Commission are to be handled. The language providing for special rules for handling legislation in the absence of action by the Congress is necessary, in order to meet constitutional requirements.

Mr. President, I submit the amendments, in the nature of a substitute, for appropriate reference. I ask unanimous consent that the amendments and the statement explaining them be printed in the body of the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and appropriately referred; and, without objection, the amendments and statement will be printed in the RECORD.

The amendments were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this act may be cited as the "Trade Agreements Extension Act of 1955."

"SEC. 2. The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), is hereby extended from June 12, 1955, until the close of June 30, 1957.

"SEC. 3. (a) Subsection (a) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (a)), is hereby amended to read as follows:

"'(a) (1) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

"'(A) To enter into foreign trade agreements with foreign governments or instrumentalities thereof: *Provided*, That no provision in any such agreement shall be given effect in a manner inconsistent with existing legislation of the United States: *Provided further*, That the enactment of the Trade Agreements Extension Act of 1955 shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade.

"'(B) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or exercise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

"'(2) No proclamation pursuant to paragraph (1) (B) of this subsection shall be made—

"'(A) Increasing by more than 50 percent any rate of duty existing on January 1, 1945.

"'(B) Transfering any article between the dutiable and free lists.

"'(C) In order to carry out a foreign trade agreement entered into by the President before June 12, 1955,

decreasing by more than 50 percent any rate of duty existing on January 1, 1945.

"'(D) In order to carry out a foreign-trade agreement entered into by the President on or after June 12, 1955, decreasing (except as provided in paragraph (4) of this subsection) any rate of duty below the lowest of the following rates:

"'(i) The rate 10 percent below the rate existing on July 1, 1955.

"'(ii) In the case of any article which the President determines, at the time the foreign-trade agreement is entered into, is normally not imported into the United States or is normally imported into the United States in negligible quantities, the rate 50 percent below the rate existing on January 1, 1945. This clause shall not apply with respect to any article unless it is identified in the list required by section 3 (a) of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1360 (a)), for possible consideration as an article which is normally not imported into the United States or is normally imported into the United States in negligible quantities.

"'(iii) In the case of any article subject to an ad valorem rate of duty above 50 percent (or a combination of ad valorem rates aggregating more than 50 percent), the rate of 50 percent ad valorem (or a combination of ad valorem rates aggregating 50 percent). In the case of any article subject to a specific rate of duty (or a combination of rates including a specific rate) the ad valorem equivalent of which has been determined by the President to have been above 50 percent during a period determined by the President to be a representative period, the rate 50 percent ad valorem or the rate (or a combination of rates), however stated, the ad valorem equivalent of which the President determines would have been 50 percent during such period. The standards of valuation contained in section 402 of this act (as in effect during the representative period) shall be utilized by the President, to the maximum extent he finds such utilization practicable, in making the determinations under the preceding sentence.

"'(3) (A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph, the provisions of any proclamation made under paragraph (1) (B) of this subsection, and the provisions of any proclamation of suspension under paragraph (5) of this subsection, shall be in effect from and after such time as is specified in the proclamation.

"'(B) In the case of any decrease in duty to which paragraph (2) (D) of this subsection applies—

"'(i) if the total amount of the decrease under the foreign-trade agreement does not exceed 10 percent of the rate existing on July 1, 1955, the amount of decrease becoming initially effective at one time shall not exceed 5 percent of the rate existing on July 1, 1955;

"'(ii) except as provided in clause (i), not more than one-half of the total amount of the decrease under the foreign-trade agreement shall become initially effective at one time; and

"'(iii) no part of the decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than 1 year.

"'(C) No part of any decrease in duty to which the alternative specified in paragraph (2) (D) (i) of this subsection applies shall become initially effective after the expiration of the 2-year period which begins on July 1, 1955. If any part of such decrease has become effective, then for purposes of this subparagraph any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the 2-year period expires.

"'(D) If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed any limitation specified in paragraph (2) (D) or paragraph (4) of this subsection or subparagraph (B) of this paragraph by not more than whichever of the following is lesser:

"'(i) The difference between the limitation and the next lower whole number, or

"' One-half of 1 percent ad valorem.

In the case of a specific rate (or of a combination of rates which includes a specific

rate), the one-half of 1 percent specified in clause (ii) of the preceding sentence shall be determined in the same manner as the ad valorem equivalent of rates not stated wholly in ad valorem terms is determined for the purposes of paragraph (2) (D) (iii) of this subsection.

"'(4) Notwithstanding the foregoing limitations on the amount of decreases in duty that may be proclaimed in order to carry out foreign-trade agreements—

"'(A) in order to carry out a foreign-trade agreement entered into on or after June 12, 1955, to which the Government of Japan is a party, and with respect to which notice of intention to negotiate was published on November 16, 1954 (19 F. R. 7379), the proclamation may, if the President determines that the decrease is necessary in order to provide expanding export markets for products of Japan (including such markets in third countries), decrease by not to exceed 50 percent any rate of duty existing on January 1, 1945; and

"'(B) if such agreement is entered into before July 1, 1955, such reduced rate may be further decreased by an amount not to exceed 10 percent thereof.

"'(5) In exercising his authority under this section, the President shall avoid, to the maximum extent he deems practicable and consistent with the purpose of this section, the subdivision of classification categories.

"'(6) Subject to the provisions of section 5 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1362), duties and other import restrictions proclaimed pursuant to this section shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly: *Provided*, That the President shall, as soon as practicable, suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts (including the operations of international cartels) or policies which in his opinion tend to defeat the purpose of this section.

"'(7) The President may at any time terminate, in whole or in part, any proclamation made pursuant to this section.'

"(b) The last sentence of section 350 (b) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (b)), is hereby amended to read as follows: 'No rate of duty on products of Cuba shall be decreased—

"'(1) In order to carry out a foreign trade agreement entered into by the President before June 12, 1955, by more than 50 percent of the rate of duty existing on January 1, 1945, with respect to products of Cuba.

"'(2) In order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955, below the applicable alternative specified in subsection (a) (2) (D) or (4) (subject to the provisions of subsection (a) (3) (B), (C), and (D)), each such alternative to be read for the purposes of this paragraph as relating to the rate of duty applicable to products of Cuba. With respect to products of Cuba, the limitation of subsection a) (2) (D) (iii) may be exceeded to such extent as may be required to maintain an absolute margin of preference to which such products are entitled.'

"(c) Subsection (c) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (c)), is hereby amended by inserting '(1)' after '(c)', by striking out '(1)' and inserting in lieu thereof '(A)', by striking out '(2)' and inserting in lieu thereof '(B)', and by adding at the end thereof the following new paragraph:

"'(2) For purposes of this section—

"'(A) Except as provided in subsection (d), the terms "existing on January 1, 1945" and "existing on July 1, 1955" refer to rates of duty (however established, and even though temporarily suspended by act of Congress or otherwise) existing on the date specified, except rates in effect by reason of action taken pursuant to section 5 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1362).

"'(B) The term "existing" without the specification of any date, when used with respect to any matter relating to the conclusion of, or proclamation to carry out, a foreign trade agreement, means existing on the day on which that trade agreement is entered into.'

"(d) Section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351, is hereby amended by adding at the end thereof the following new subsection:

"'(e) The President shall submit to the Congress an annual report on the operation of the trade-agreements program, including information regarding new negotiations, modifications made in duties and import restrictions of the United States, reciprocal concessions obtained, modifications of existing trade agreements in order to effectuate more fully the purposes of the trade-agreements legislation (including the incorporation therein of escape clauses), and other information relating to that program and to the agreements entered into thereunder.'

"SEC. 4. Subsection (b) of section 6 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1363 (b)), is hereby amended by striking out the second sentence thereof.

"SEC. 5. (a) Section 3 (a) of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1360 (a)), is hereby amended by adding at the end thereof the following new paragraph:

"'At the time the Commission makes any report under this subsection to the President, it shall transmit a copy of such report to the Senate and a copy of such report to the House of Representatives. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, the copy shall be filed with the Secretary of the Senate, or the Clerk of the House of Representatives, or both, as the case may be.'

"(b) Section 6 (a) of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1363), is amended to read as follows:

"'(a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when importation or prospective importation, either actual or relative, of increased quantities of any product upon which a concession has been granted under a trade agreement, resulting, in whole or in part, from the duty or other customs treatment reflecting such concession, causes or threatens serious import injury to the domestic industry producing either like or directly competitive products.'

"(c) Section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364), is hereby amended to read as follows:

"'SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than 9 months after the application is made to determine whether importation or prospective importation, either actual or relative, of increased quantities of any product upon which a concession has been granted under a trade agreement, resulting in whole or in part, from the duty or other customs treatment reflecting such concession, causes or threatens serious import injury to the domestic industry producing either like or directly competitive products.

"'(b) In the course of any such investigation, whenever it finds evidence of serious import injury or threat of serious import injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

"'(c) Should the Tariff Commission find, as a result of its investigation and hearings, that importation or prospective importation, either actual or relative, of increased quantities of any product upon which a concession has been granted under a trade agreement, resulting, in whole or in part, from the duty or other customs treatment reflecting such concession, causes or threatens serious import injury to the domestic industry producing either like or directly competitive products, it shall find and declare the extent to which and the time for which—

"'(1) permanent withdrawal of the concession;

"'(2) modification of the concession;

"'(3) suspension of the concession in whole or in part;

"'(4) limitation of the quantity of the product which may be entered, or withdrawn from warehouse for consumption; or

"'(5) any combination of any of the foregoing;

is necessary in order to prevent or remedy such injury or threat thereof. Such finding and declaration shall be embodied in a plan for the taking effect of the action so found and declared to be necessary in order to prevent or remedy such injury or threat thereof, which plan (bearing an identifying number) shall be transmitted by the Tariff Commission to the Congress. The delivery to both Houses shall be on the same day and shall be made to each House while it is in session.

"'(d) Without excluding other factors of import injury, the Commission shall consider any of the following factors as constituting import injury with respect to a domestic article when caused or threatened to be caused, in whole or in part, by the importation of competitive imported articles:

"'(1) Unemployment, layoffs, or curtailment of workweek;

"'(2) Reduction in actual or relative wages, including reduction of "fringe benefits" enjoyed in lieu of wages;

"'(3) Decline in prices or sales;

"'(4) Rising inventory;

"'(5) Decline in profits of, or operation at a loss by, the manufacturer, producer, grower, or wholesaler;

"'(6) In the case of an agricultural product, a return to the grower or producer below the established parity price for such product;

"'(7) Decline in flow of investment into plant expansion, new equipment, or other improvements;

"'(8) Decline in proportionate share of the domestic market enjoyed by the domestic article;

"'(9) Increase in the importation of like or directly competitive imported articles accompanied by unused, but available and suitable, capacity to produce, manufacture, or grow domestic articles;

"'(10) Inability to meet promotion, advertising, and customer services provided for a like or directly competitive imported article, to the extent that such inability is due to the lower landed costs of the imported article or to payments from foreign sources not included in the landed cost of the imported article; and

"'(11) In the case of any natural-resource industry or of any industry determined to be essential to the national security by the

National Security Council, a productive capacity of the domestic industry which is less than the peacetime requirements of the domestic market for the article produced or manufactured by the domestic industry, plus a reasonable reserve over and above peacetime requirements for emergency use.

"'(e) Evidence of import injury may show that such injury exists, or is threatened to exist, with respect to domestic articles produced or sold by an entire industry, or produced or sold by any substantial or otherwise readily determinable segment thereof. Where a particular business enterprise is engaged in operations involving more than one such industry, or more than one such segment of a single industry, the Commission shall distinguish or separate the respective operations of such business enterprise for the purpose of determining import injury; and in examining the factors set forth in subsection (d), the domestic industry shall be held to include only those operations that relate directly to the production of the products under investigation.

"'(f) (1) Except as may be otherwise provided under paragraph (3) of this subsection, the provisions of any plan transmitted under subsection (c) of this section shall take effect on the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the plan.

"'(2) For purposes of paragraph (1)—

"'(A) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"'(B) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain.

"'(3) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

"'(g) When, as the result of its investigations and hearings under this section, it is the judgment of the Tariff Commission that it is not necessary to take any action with respect to a product, it shall make and transmit to the Congress a report stating its findings and conclusions.

"'(h) As used in this section the term "import injury" means the existence or threat of existence of any materially adverse effect upon industry, agriculture, or labor, or segment thereof, engaged in the production or sale of any domestic article, caused in whole or in part by the importation of any like or directly competitive article.'

"SEC. 6. (a) Subsections (a) and (b) of section 330 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1330), are hereby amended to read as follows:

"'(a) Membership: The United States Tariff Commission (referred to in this title as the "Commission") shall be composed of seven Commissioners appointed by the President by and with the advice and consent of the Senate. No person shall be eligible for appointment as a Commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the laws administered by the Commission. Not more than four of the Commissioners shall be members of the same political party.

"'(b) Terms of office: The term of office of a Commissioner shall expire 7 years from the expiration of the term for which his predecessor was appointed; except that any Commissioner appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.'

"(b) Notwithstanding section 330 of the Tariff Act of 1930, as amended by subsection (a) of this section—

"(1) existing terms of office shall expire at the time provided therefor by such section 330 as in effect on the day before the date of the enactment of this act;

"(2) the first term of office of the additional Commissioner provided for by subsection (a) of this section shall expire at the close of June 16, 1962; and

"(3) the term of office of the Commissioner appointed to succeed the Commissioner whose term of office expires June 16, 1955, shall expire at the close of June 16, 1961.

"(c) Subsection (d) of such section 330 is hereby repealed.

"SEC. 7. (a) The following provisions of this section are enacted by the Congress:

"(1) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"(b) For purposes of this section, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the ——— does not favor the plan relating to tariff concessions numbered —— transmitted to the Congress by the Tariff Commission on ———, 19—.", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one plan.

"(c) A resolution with respect to a plan relating to tariff concessions shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or by the Speaker of the House of Representatives, as the case may be.

"(d) (1) If the committee to which has been referred a resolution with respect to a plan relating to tariff concessions has not reported it before the expiration of 10 calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such plan which has been referred to the committee.

"(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same plan), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

"(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a plan relating to tariff concessions, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(2) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(f) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a plan relating to tariff concessions, and all motions to proceed to the consideration of other business, shall be decided without debate.

"(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a plan relating to tariff concessions shall be decided without debate.

"SEC. 8. (a) The amendment made by section 5 (a) of this act shall apply with respect to reports made under section 3 (a) of the Trade Agreements Extension Act of 1951 after the date on which this act, is enacted.

"(b) The amendments made by subsections (b) and (c) of section 5 of this act shall take effect on the day on which this act is enacted and shall apply with respect to any investigation with respect to which, before such date, the President has neither (1) taken action under section 7 (c) of the Trade Agreements Extension Act of 1951, nor (2) submitted a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate in accordance with such section 7 (c).

"(c) Section 7 of this act shall take effect on the day on which this act is enacted."

Amend the title so as to read: "An act to extent the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, to establish an improved escape clause procedure, and for other purposes."

The statement presented by Mr. WATKINS is as follows:

STATEMENT BY SENATOR WATKINS

Several decades ago when changes were needed in our tariff laws the Congress, under its constitutional authority "to lay and collect taxes, duties, imports, and excises," almost did the job unassisted by the executive branch of the Government. In those days, the House Ways and Means Committee generally assembled in Washington several months in advance of the convening of the Congress. It divided itself into subcommittees which held hearings and prepared the applicable provisions of the bill on different portions of the tariff problem. Once the full committee had acted upon the bill, which sometimes was discussed in the majority party caucus, it went directly to the House of Representatives where it was likely to be the most important matter before the House that session.

The measure, formally having passed the House, was then transmitted to the Senate, where, in all probability the Finance Committee had been conducting hearings simultaneously with the House Ways and Means

Committee. The Senate in those days generally introduced such extensive changes that for all intent and purpose it amounted to a new measure. Invariably, therefore, detailed commodity tariff legislation was written in conference, where compromise generally produced a measure that would pass both Houses.

As the economy grew and developed, it likewise produced a vast number of complex problems of interest with multifarious ramifications involving thousands of economic interest groups. Thus our complex society, as we are only too well aware, has been productive of an ever-increasing volume of legislative concern for the Congress. Limitations of time and the complexity of certain aspects of this legislative concern have necessarily forced the Congress to delegate some of its responsibilities to the executive branch of the Government. Tariffmaking, the subject matter of which involves schedules covering thousands upon thousands of products, was one such activity which, over a period of time, has progressively passed by delegation to the executive.

Exclusive tariffmaking by the Congress was plainly no longer tolerable by the time of the First World War, and, in 1916, the Congress created the United States Tariff Commission to assist the Congress. At that time the Commission's activities were limited to the continuous investigation of all economic matters which had a bearing upon tariff policy, and the reporting of its findings to the President and the Congress; it had no independent authority to make changes in the tariff laws or in their administration.

The Tariff Acts of 1922 and 1930, however, give the United States Tariff Commission the authorization to investigate cost of production differences between domestic and foreign products and required it to recommend to the President, on the basis of its findings, specific increases or decreases in the appropriate tariff rates. The President, in turn, was given authority to readjust tariff rates either up or down within a range of 50 percent. The effect of these two acts was to provide the United States for the first time with a flexible tariff policy which enabled cost differentials between domestic and foreign production to be adjusted without awaiting the necessarily slow and very uncertain results of congressional attention and detailed legislation.

With the passage of the Reciprocal Trade Agreement Act in 1934, the Congress began the gradual disintegration of its control, except in theory, over the tariff-making procedure. The United States Tariff Commission in effect has been reduced to a Presidental staff agency in the purest sense of the word "staff" for its administrative history indicates that it serves mainly as an informative and advisory agency, an agency whose recommendations are seldom followed. By 1945, trade agreements were in operation between the United States and 28 countries. The result of these agreements by 1945 was that the general tariff level had been reduced almost to that prevailing under the so-called Underwood "low-tariff" act of 1913. More recent extensions as you are aware have given the President added authority to reduce tariff rates still further.

Simultaneously with vigorous activity on the part of the executive in developing the trade-agreements program there arose a growing volume of protest from certain segments of American industry. The complaints have charged that such negotiated agreements contained tariff and other concessions which resulted not only in American producers losing domestic markets but also in the demise of American industries. And as the years have gone by this conflict has grown and magnified, producing in its wake voluminous but conflicting opinions and literature on the subject of trade agreements.

As I indicated in my remarks to the Senate on January 26, 1954, I am in general agreement with that portion of President Eisenhower's statement in his special message on foreign economic policy to the effect that all nations should mutually undertake the lowering of unjustified barriers to trade "on a mutual basis so that the benefits can be shared by all." But, as I said on that occasion, the "all" must include those domestic industries which are operating in the face of ruinous and disadvantageous competitive conditions with foreign imports. I firmly believe that an American trade policy must embody those features that will work toward the enlargement of international trade but in a manner consistent with maintaining a sound domestic economy.

Our experience to date, however, seems to indicate that certain revisions in the trade-agreements program are necessary if these two objectives are to be realized. It is evident, I believe, that the Congress return to itself a larger share of the direct responsibility for tariff-making policy in those areas of intense conflict which has been generated by the trade-agreements program. The pendulum of tariff-making authority has simply swung too far toward the expediency of administrative negotiation and execution by the executive branch. It has swung so far in fact that it would cause a reasonably prudent person to conclude, I am sure, that the Congress de facto has completely abdicated its constitutional authority in this field.

An analysis of escape-clause applications and their administrative disposal will make this quite clear. The escape clause, as you undoubtedly know, was not an original part of the Reciprocal Trade Agreements Act. Rather, it was the product of extensive liberality in granting tariff and other concessions by the executive branch under the trade-agreements program and the result of increasing protest by American industries adversely affected by excessive imports. The function of the escape clause is, of course, to compromise the conflict which arises between the need and desirability of freer international trade and the need for protecting defense and certain other industries fundamental to the economies of certain sections of the United States, the customs and traditions of our people, and for maintaining safeguards which protect wages, industry, and agriculture.

The early trade agreements negotiated under the Reciprocal Trade Agreements Act of 1934 contained no general means of providing realistic relief if a particular concession proved unexpectedly injurious to a domestic industry. Although escape clauses had been contained in bilateral trade agreements since 1941 and in the General Agreement on Tariffs and Trade since 1947, it remained for the Congress, because of the difficulty of foreseeing the contingencies that might arise, to make the inclusion of an escape clause in new trade agreements a statutory requirement. This was accomplished in 1951 by the passage of the Trade Agreements Extension Act.

The facts, however, indicate that the executive branch of the Federal Government and the United States Tariff Commission have not in general interpreted and administered the escape-clause provisions as the Congress so intended. First, let us examine the role of the Commission in this matter. In making recommendations to the President on applications for relief, it is interesting to note that of 56 applications, which were filed during the period 1948–54, the Commission recommended relief in only 12 instances, all but 2 of which involved only products of minor importance.

These 12 favorable recommendations were made with respect to—

1. Women's fur, felt hats, and hat bodies (unanimous, September 25, 1950).
2. Hatters' fur (unanimous, November 9, 1951).
3. Garlic (4 to 2, June 6, 1952).
4. Watches, movements, and parts (first investigation, 4 to 2, June 14, 1952).
5. Dried figs (unanimous, July 24, 1952).
6. Tobacco pipes and bowls (unanimous, December 22, 1952).
7. Screen-printed silk scarves (unanimous, April 13, 1953).
8. Scissors and shears (4 to 2, March 12, 1954).
9. Groundfish fillets (second investigation, 3 to 2, May 7, 1954).
10. Watches, movements, and parts (second investigation, 4 to 2, May 21, 1954).
11. Lead and zinc (unanimous, May 21, 1954).
12. Alsike clover seed (unanimous, May 21, 1954).

Rather an unimpressive list, is it not? But why only 12 favorable applications? In part, because the Congress has failed to establish definite criteria for the Commission to follow in arriving at decisions. But primarily it is because the Commission in considering the effect of increased imports on production, profits, and employment has consistently held that an industry is deemed to include, for purposes of escape-clause relief, all the operations of the constituent firm making the application, rather than only those operations that are directly related to the production of the product identified in the escape-clause application.

This interpretation has directly served to nullify the intent of the Congress to give needed tariff relief. Representative CLEVELAND M. BAILEY, of West Virginia, the author of the escape clause contained in the Trade Agreements Extension Act of 1951, made this very clear in a speech delivered to the House of Representatives on May 26, 1954. This speech, which was entitled "Tariff Commission Interpretation of Domestic Industry Nullifies Escape Clause in Trade Agreements Extension Act of 1951," is worthy of the attention of every Member of the Senate, and I ask, Mr. President, that it be printed in the RECORD at this point in my remarks. (See exhibit I.)

Now, let us examine for a moment the role the President has played in acting upon favorable recommendations of the United States Tariff Commission. How close has the President followed what we must presume to be the expert recommendations of the Tariff Commission? Of the 12 favorable Commission recommendations I named a few moments ago, you will observe the following:

1. Seven were unanimous decisions and included—
   (a) Women's fur felt hats and hat bodies.
   (b) Hatter's fur.
   (c) Dried figs.
   (d) Tobacco pipes and bowls.
   (e) Screen-printed silk scarves.
   (f) Lead and zinc.
   (g) Alsike clover seed.
2. Four were 4-to-2 decisions and included—
   (a) Garlic.
   (b) Watches, movements, and parts (first investigation).
   (c) Watches, movements, and parts (second investigation).
   (d) Scissors and shears.
3. One was a 3 to 2 decision and was made with respect to Groundfish fillets.

In only five instances did the President follow the recommendations of the United States Tariff Commission. These five favorable actions by the President involved the following:

1. Four products which the Commission unanimously believed needed relief. They included—
   (a) Women's fur felt hats and hat bodies.
   (b) Hatter's fur.
   (c) Dried figs.
   (d) Alsike clover seed.

2. The other product—watches, movements, and parts (second investigation)—involved a favorable recommendation decided by a 4 to 2 vote of the Commission.

In these other cases the President refused to grant relief even though by unanimous vote the Tariff Commission had recommended such action. These included—

(1) Tobacco pipes and bowls.

(2) Screen printed silk scarves.

(3) Lead and zinc.

Likewise, he refused relief with respect to three 4 to 2 decisions and one 3 to 2 recommendation, which respectively involved—

(1) Garlic.

(2) Watches, movements, and parts (first investigation).

(3) Scissors and shears.

(4) Groundfish fillets (second investigation).

In these cases, despite the recommendation of the Tariff Commission, an expert body, the President held to the contrary that serious injury to the domestic industry had not been established to his satisfaction.

It is absolutely useless for the Congress of the United States to create an expert body that is largely investigational in nature and designed to lead to expert recommendation for administrative action in areas where it has delegated to the executive branch extensive authority, as it has done with respect to trade and tariff matters. I believe, Mr. President, that where such delegations have consistently been abused and congressional intent evaded and nullified, the Congress should take necessary steps to correct the situation.

A typical case in which the devastating effect of delegating too much authority to Executive discretion is readily apparent, concerning the escape clause in trade agreements, is well illustrated by the Screen Printed Silk Scarves case, an instance in which the President refused to act favorably on a unanimous recommendation of the Commission. The original application for investigation was filed on April 14, 1952; the hearing date was set for February 24, 1953—nearly 10 months later. The Tariff Commission rendered its decision on April 13, 1953, and recommended to the President that tariff rates be increased to 65 cents. Three months later on June 10, 1953, the President asked the Commission to restudy the case. Fourteen months later on August 6, 1954, the Commission sent to the President a second unanimous recommendation for relief. Yet on December 23, 1954, the President, in spite of two unanimous recommendations for relief, held in denying the industry relief that he could find no basis of injury.

There is no doubt in my mind why the President of the United States could not find a "basis of injury." The reason he couldn't is because by the time he rendered his final denial there was no screen printed silk scarf industry in the United States. The delay of 2 years and 4 months from the date of the original application to that upon which the Tariff Commission made its second favorable recommendation saw 11 of the 13 domestic producers of screen painted silk scarves go out of business. The other two domestic producers "went to the wall" in the 5½ months between the date of the Commission's second recommendation and the President's denial of relief in which he contended that he could find no basis of injury.

These are sobering facts indeed. It is quite evident, I submit, that the pendulum of responsibility for escape clause actions must swing toward greater control by the Congress. This is a portion of its constitutional authority which it must recall from the executive branch. But I want to make it just as clear, for reasons I discussed at the beginning of my remarks, that we cannot, with respect to the general responsibility for negotiating trade and tariff matters, return to the cumbersome and slow procedure which saw the Congress try to write detailed tariff legislation.

EXHIBIT I

TARIFF COMMISSION INTERPRETATION OF "DOMESTIC INDUSTRY" NULLIFIES ESCAPE CLAUSE IN TRADE AGREEMENTS EXTENSION ACT OF 1951

(Speech of Hon. CLEVELAND M. BAILEY, of West Virginia, in the House of Representatives, Wednesday, May 26, 1954)

Mr. BAILEY. Mr. Speaker, once more I feel compelled to call the attention of my colleagues to the grave situation of many of our Nation's domestic industries that are threatened by increasing and unrestricted imports of foreign goods.

Our reciprocal trade policy, in effect since 1934, has never had a test of operating under peacetime conditions. Emergencies like the depression of the thirties, World War II, and later the Korean situation, have tended to lessen the ill affects of our trade policy on many of our industries. We all know that war and the preparation for war is not a normal American situation. We also know how these periods of mobilization for defense affect our economy for the period of emergency.

We are now face to face with realities. We know that under peacetime conditions, that such slogan as "More trade and less aid" can mean only the economic devastation of large areas in our country, while our domestic industries cannot compete with unrestricted imports manufactured under lower standards of wages and living conditions than we have in our American industries.

The Congress created the United States Tariff Commission in order to rid itself of the details of our trade policies. Since delegating its authority to the Tariff Commission, it has found it necessary to write into the Trade Agreements Act, the well-known peril-point and escape-clause provision.

In my opinion, the Tariff Commission is violating the spirit and letter of the escape clause in the Trade Agreements Act.

The Commission is asking companies seeking relief for a specified product under sections 6 and 7 of the Trade Agreements Act to furnish information about their production and profits on other products and all phases of their business operations, including those not related to the product for which relief is sought.

The Commission is using the information about other products and the overall activities of the concerns to decide whether the production of a given product has been injured by imports and whether the petition for relief should be granted or denied.

This attitude on the part of the Commission, or perhaps I should say, some members of the Commission, can nullify for all practical purposes the escape-clause provision. The majority of the companies making a product adversely affected by competitive imports also make other products, and have other business activities than those for the product for which relief is sought. If the definition of a domestic industry is to be expanded to cover all the activities of concerns making a particular product, the escape clause, for all intents and purposes, goes out the proverbial window. For example, if the production of pins is being injured by imports, relief is denied because the companies are making a profit on plumbing hardware.

The whole matter is brought into focus in a case—No. 28—involving the straight-pin industry. There is a similar case involving the safety-pin industry but, for the sake of simplicity, I will discuss only the straight-pin application.

The straight-pin manufacturers—eight firms—filed on September 23, 1953, an application for an investigation under sections 6 and 7 of the Trade Agreements Act of 1951 with respect to straight pins.

However, the application did not furnish information about the business of the companies involved other than that relating to straight pins. Under part 207 of the Commission's rules of practice and procedure, the information as to products made and business activities other than those affecting the commodity for which relief is sought is asked for by the Commission.

The applicants did not file information concerning their production and profits on products other than straight pins, contending such information was not relevant or material to the ordered investigation of the straight-pin industry. They said the straight-pin industry would furnish the extraneous data only if it were required by subpena.

The Commission decided to institute the investigation—No. 28—but the absence of information on other products such as plumbing hardware was noted by the Commission Secretary, Donn N. Bent. He commented:

"Such information is considered by the Commission to be pertinent to investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, and will be called for in the course of the investigation with respect to straight pins."

On March 25, 1954, the Tariff Commission held a public hearing in its investigation No. 28 of the straight-pin industry. At the opening of the session, Commissioner McGill referred to the fact that the industry had not furnished all the information it requires under its rules of procedure. He said that he and Commissioners Ryder and Edminster felt that the straight-pin industry had wilfully refused to volunteer the data and that, consequently, he and the Commissioners "joining in this statement will be unable to formulate findings on the merits of this investigation." Although the Commission was given complete and detailed information with respect to production, sales, employment, and profits in straight pins, these three Commissioners say they cannot formulate findings without considering plumbing hardware, window chains, and many other unrelated products.

Commissioner McGill added:

"Inasmuch as it is obvious that the applicants did not intend to furnish the desired information voluntarily, we are of the opinion that the investigation should be terminated forthwith and that the Commission should immediately issue a report thereon, without formal findings, explaining the reasons for the termination of the investigation."

What this amounts to is that 3 Commissioners of the 6 on the Tariff Commission have decided against the straight-pin industry before hearing the case. They announced their decision before even hearing the arguments of applicants. I think this is a very high-handed and arbitrary procedure. Particularly do I think so since I think the law and every fact in the case justified the refusal of the straight-pin industry to supply information other than that relating to the product in question.

As I see it, the Commission has no business considering data other than that relating to straight pins. As one of the attorneys in the case put it:

"By no stretch of the imagination could it be contended that the inquiry should extend into the manufacture of plumbing hardware with respect to these points, simply because the manufacturer of pins also happens to make plumbing hardware in some other division of its corporate organization, and it is no more logical to extend the inquiry into the sales and profits of the applicants arising from their production of other products."

It is obvious I think that data on the overall activities of the concerns making

straight pins is desired for one object and one object only—for its bearing on the decision in the straight pin case and in order to reject an otherwise meritorious case on the relevant and material straight pin facts. Otherwise, why, does the Commission ask for it?

The bicycle case, decided in 1952 by the Commission, clearly shows that the Commission considered the overall status of the domestic concerns making bicycles and their production of unrelated products in finding that bicycles and bicycle parts were not being imported into this country in sufficient quantity as to cause or threaten to cause serious injury to the domestic industry. For example, in its statement of considerations bearing on findings and conclusion, the Commission said:

"Most of the domestic bicycle producers manufacture various products in addition to bicycles and the importance of bicycle manufacture in their total operations varies widely. * * * Products manufactured by bicycle manufacturers in addition to bicycles and bicycle parts include other children's wheel goods, power lawn mowers, exhaust fans, and various defense products. * * *

"The reported profits on total operations, expressed as a percentage of total sales, followed the same trend as profits on sales of bicycles and parts but averaged somewhat higher."

Here the higher profits made on products other than bicycles was used as an important factor in denying relief to bicycles. To contend that such a construction of the words "domestic industry" was in the intent of Congress is utterly absurd. It would make the escape clause meaningless to most products suffering from imports.

The split within the Commission over requiring the concerns seeking relief from imports on one product to file material on all their business operations on other products is most sharply shown in the dissent by Commissioner Brossard in the wood screw case. Here the Commission decided that the imports of wood screws were not sufficient to warrant relief for the domestic industry. Commissioner Brossard said:

"Were this phrase, 'domestic industry,' to be interpreted as including the profits of all other products such as rivets, hand tools, and builders' hardware, that might be produced by the same concerns that produce wood screws, as long as the companies, though losing money on wood screws of iron or steel, were making such other products at a profit and the company was making an overall profit, or could find some other alternative products to produce, other than wood screws, that would show an overall profit, few claims of injury would be allowed as a result of escape-clause investigations. Under such an interpretation, a great part of domestic production, article by article, might be forced to a stop by the destructive competition of imports and, if the manufacturing companies turned to importing and made good profits at it, they would be adjudged to be uninjured as a 'domestic industry.' Such an interpretation of this 'domestic industry' phrase in the escape-clause law would practically nullify the escape-clause provision in trade agreements as a possible remedy of serious injury, and in effect would almost, if not entirely, void the escape-clause provisions of the Trade Agreements Extension Act."

The specific issue comes down to the definition of the phrase, "domestic industry," in sections 6 and 7 of the Trade Agreements Extension Act, as amended. The legislative history of the Trade Agreements Act and other tariff legislation clearly shows that the manufacturers of straight pins constitute a domestic industry.

I have carefully studied the arguments of the attorneys for the straight pin applicants concerning the congressional intent and I agree with them fully. For the benefit of my colleagues, I ask to have them printed in the RECORD at this point:

"CONGRESSIONAL INTENT OF INJURY TO THE DOMESTIC INDUSTRY PRODUCING LIKE OR DIRECTLY COMPETITIVE PRODUCTS (STRAIGHT PINS) AS USED IN THE ESCAPE CLAUSE (SECS. 6 AND 7) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951

"(Extracts from Tariff Commission hearing record (March 25, 1954), in investigation No. 28 of the domestic straight pin industry)

"(Statements of: Alexander M. Heron, attorney for applicants; Congressman Cleveland Bailey, author of the escape clause; John Breckinridge, attorney for applicants; Commissioner George McGill, opening statement of hearing on behalf of himself and Commissioners Ryder and Edminster.)

"(The opening statement of Commissioner McGill on behalf of himself and Commissioners Ryder and Edminster appears at the end of these extracts from the record.)

"*Statement of Alexander M. Heron, of the firm of Pope, Ballard & Loos, Washington, D. C., counsel to the applicant*

"Mr. HERON. The investigation here revolves about the effect of increase in imports of straight or common pins in causing or threatening to cause a serious injury to the domestic industry of producing straight pins. The applicants manufacture 100 percent of the straight pins produced in the United States. In the questionnaire which was sent to the applicants, information was requested with respect to annual sales by the applicant of all other products. Detailed information was requested with respect to the sales and profits of applicants in connection with the manufacture of lines of products other than straight pins. All of the applicants in this proceeding manufacture products other than straight pins, with one exception. Witnesses who will testify in the hearing shortly will explain in detail what those other products are. It is the position of the applicants here that the domestic industry of producing straight pins consists of the labor, the management, and the capital devoted to the production of those pins. The evidence in the hearing will disclose that the manufacture of straight pins involves the use of labor and machinery which is not interchangeable with any other product manufactured by the applicants.

"In other words, the machinery and equipment which is used for this purpose is not subject to being used for any other purpose by the applicants. Labor which is employed in the manufacture of straight pins can't be used interchangeably by the applicants in the manufacture of other products by them.

"Now the correspondence which has occurred previously with the Commission secretary states at an earlier stage the applicants' position. On January 15 of 1953 the applicants, through their counsel, wrote to the Commission as follows:

" 'We have your letter of December 31, 1952, concerning the above-named application'—and those were the applications which were later withdrawn—'and we regret very much that the Commission has decided to ignore the application on the ground that it "fails substantially to furnish information called for" and is "not properly filed" under the Commission's Rules of Practice and Procedure.

" 'After a careful review of sections 6 and 7 of the Trade Agreements Extension Act of 1951 (under which this investigation was requested) and after a careful review of the Commission's rules, the applicants are confident that their application, as filed, did include all of the information properly required by the Commission's rules. More specifically, the applicants strongly feel that their application was "properly filed" within the meaning of procedural section 7 (a) of the Trade Agreements Extension Act of 1951, the pertinent part of which commands that: "* * * upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon * * *."

" 'The applicants feel that their application was "properly filed" within the meaning of this mandate of Congress and that the action of the Commission in deciding to ignore the application "as not property filed" was improper and not authorized by the statute.

" 'Even though section 7 was designed and intended by Congress to set up the Commission's procedure under escape-clause investigations and even though the applicants are convinced that the Commission's rules cannot modify this congressional mandate that the Commission shall promptly make an investigation, they wish to state that in their considered opinion their application was properly filed even within the would-be terms and provisions of the Commission's rules.

" 'The application did submit all of the information required by such rules. Subparagraphs (a), (b), (c), and (d) of section 207.3 attempt to indicate the type of information which shall or must be included in an application and a review of the application will show that all such information was included therein. Your letter does not question this fact.

" 'You cite subparagraph (e) of section 207.3 of the rules as indicating the type of information called for but which was not included in the application and you enclose a table indicating the desired additional information. A review of this subparagraph (e) will show that it only states that the additional information indicated therein and the information indicated on the table enclosed with your letter should also be furnished with an application, to the extent that it is readily available to the applicant.

" 'Thus, it is apparent that even the Commission's rules do not require that this information must be submitted with the application. Some of such additional information was included in the application and the balance of it was not and is not readily available to the applicants. Also such information could not possibly be put together in comparable and understandable form by the individual applicants prior to February 2 as required by the Commission's action. The application clearly indicated that such additional information was not readily available to the applicants but that it would be made available to Commission representatives by each individual applicant during the course of the investigation.

" 'Furthermore, the applicants do not consider the information requested with respect to their production of other commodities as proper to be submitted to or even considered by the Commission within the terms or intent of sections 6 and 7. The applicants have not requested an investigation concerning any of the products they produce other than safety pins. Consequently, they do not consider it appropriate to submit to the Commission information concerning their operations with respect to such other commodities (which differ from applicant to applicant). They consider themselves as representative of 100 percent of the domestic industry producing safety pins which are like and directly competitive with imported safety pins within the meaning of sections 6 and 7. As to their production of other products, which varies from company to company, they do not consider themselves as constituting a domestic industry within the meaning of said statute. Consequently, each individual applicant does not consider any information with respect to their production of other products as being material or relevant to the issue involved in the requested investigation. They also feel that it

would be improper for the Tariff Commission even to consider any such information. They feel that the sole question involved in a section 7 investigation would be the effect of imported safety pins upon the American producers, capital, and laborers employed in the production of safety pins, without regard to other income they might have or other products they might produce.

" 'In view of these basic differences in interpretation of sections 6 and 7 and concerning the propriety of the Commission's rules to such extent as they may differ from the statute, the application is hereby withdarwn in accordance with rule 201.8 (d).

" 'In view of section 201.10 of the Commission's rules concerning public notices and since the Commission does not consider this application as properly filed, it is assumed that the Commission has made no public notice of the receipt of this application and that its contents have not been discussed with any parties outside of the Commission. Since there is to be no investigation, the applicants are extremely anxious that the information contained in the application be kept strictly confidential. Consequently, it is hereby requested that all copies of the application be returned until such time as the applicants may decide to reapply for an investigation.

" 'Within a few days, the undersigned will drop by your office to pick up the application. Very truly yours, John Breckinridge, attorney for DeLong Hook & Eye Co.'

"Commissioner TALBOT. What is the date of that letter?

"Mr. HERON. That letter, sir, is January 15, 1953.

"Now, a subsequent letter which followed the institution of the present investigation is dated October 31, 1953, addressed to the Commission Secretary:

" 'DEAR MR. BENT: We thank you for your letters of September 25 and October 30, 1953, advising that the Commission has, under sections 6 and 7 of the Trade Agreements Extension Act of 1951, instituted Investigation No. 28 with respect to the straight (common) pin industry and Investigation No. 29 with respect to the safety pin industry. We acknowledge also the copies of the public notices of these investigations issued by the Commission.

" 'The applicants are gratified that the Commission has instituted these two investigations. We are instructed to inform the Commission that the applicants will submit to the Commission or make available to its reperesentatives any requested information in their possession, concerning imports or their domestic employment, production, costs, sales, and profits with respect to straight pins or safety pins, the two commodities with which the announced investigations deal. All books and records of each applicant dealing directly with these two commodities (or indirectly to such extent as necessary for allocation of overhead costs or similar items) will be made available for inspection to any authorized representative of the Commission.

" 'Your letters of September 25 and October 30 comment upon the area and character of evidence to be called for and considered in connection with each investigation.

" 'As indicated in our letter of January 15, 1953, it is our view that to such extent as the information indicated as desirable in paragraphs (2), (3), and (5) of section 207.3 (e) of the Commission's Rules of Practice and procedure, and referred to in your letters, relates to the production or sales of commodities other than straight pins or safety pins, or to other sources of income, it is not material or relevant to the investigation of the straight pin industry or the investigation of the safety pin industry within the meaning of sections 6 and 7 of the Trade Agreements Extension Act of 1951. The applicants have not requested nor has the Commission ordered an investigation of the effect of imports upon applicants' production or sales of commodities other than straight pins or safety pins. Applicants do not presently claim that their profits from production of other commodities or that their income from other sources are being adversely threatened by imports.

" 'It is our position that an applicant's production of other commodities or its income from other sources does not constitute a part of the domestic industry producing straight pins or a part of the domestic industry producing safety pins. Also, it is our position that applicants producing straight pins only are not a part of the domestic industry producing safety pins and that the applicants producing safety pins only are not a part of the domestic industry producing straight pins. The two are separate and distinct industries and must stand on their own merits or demerits.

" 'In past instances, as indicated by your letter, members of the Commission have taken a view different from that to which we subscribe, but this action on the part of the Commission has not been unanimous. We wish to earnestly urge upon the Commission a further consideration of all of the factors involved in this question. For this reason, we shall not voluntarily supply information beyond the boundaries indicated herein. We hope that upon consideration the Commission will uphold our view. However, if the Commission concludes that a subpena on subpenas are to be issued to compel the production of this data, we shall promptly comply with such order.

" 'We wish to again emphasize the fact that all of the applicants, in each case, desire to cooperate fully with the Commission and its staff in supplying any and all requested information from their records dealing directly with their production and sales of straight pins or safety pins, as the case may be.

" 'In order to facilitate their full cooperation, the applicants would like to suggest an informal conference at the Commission at the earliest convenient time. It is felt that such an informal conference would facilitate a determination of the type of information with respect to safety pins and straight pins desired by the Commission and would enable the applicants to make their own preparations for supplying such information as fully and promptly as possible. At such a conference the applicants would also like to discuss the possibility of a change in the hearing dates the Commission has announced.

" 'Very truly yours,

" 'JOHN BRECKINRIDGE.'

"We feel that a statement of our position on this point should be made at this time. Now the question for determination is what Congress in paragraphs 6 and 7, which constitute the escape clause and the formula for its operation, intended. That intent must be drawn from the statute itself, read against the background of legislative history.

"Section 6, which constitutes the substantive portion of the escape clause, provides that no reduction shall be permitted to continue in effect when the product is imported in such quantities as to cause or threaten serious injury to the domestic industry producing like products.

"Section 7 sets up the procedure for administering the provisions of the preceding section. It provides for the institution of investigations and their conduct. It sets up the criteria for the Commission's guidance.

"It sets up the criteria which in their entirety revolve about specific articles being imported and the production and the sale of specific articles in the United States.

"The Commission is told that it shall take into consideration a downward trend in the domestic industry concerned, of production, employment, prices, profits, and wages. No serious contention could be made that the production to which the act refers is any production other than that of the article involved. Likewise, the employment is the employment of personnel engaged in the manufacture of the article involved.

"The prices are the prices of the article under consideration, and wages are the wages of the employees who make the article. The Commission is told to take into consideration a decline in sales; an increase in imports, either actual or relative; a higher or growing inventory or a decline in proportion of the domestic market supplied by the domestic producers.

"By no stretch of the imagination could it be contended that the inquiry should extend into the manufacture of plumbing hardware with respect to these points, simply because the manufacturer of pins also happens to make plumbing hardware in some other division of its corporate organization, and it is no more logical to extend the inquiry into the sales and profits of the applicants arising from their production of other products.

"Such inquiry is no more relevant to the determination of the effect of the importation of straight pins upon domestic producers of safety pins than would be an inquiry into the employment of the husbands and wives, the spouses or members of the families of the employees engaged in the operation of the machinery which produces the safety pins.

"Aside from the minor purposes of raising revenue, tariff acts have represented primarily that degree of protection which Congress concluded should be afforded to the American production of each article or product which was named in the tariff and for which a duty was provided. The terms "domestic industry" and "domestic producers" have been used by Congress in the enactment of tariff legislation for years past. No purpose would be served by quoting dictionary definitions or referring to clarifications made by various administrative branches of the Government in which similar terms are used for different purposes or for their own convenience. These terms have a wide meaning or a narrow meaning. The question here is what did Congress intend when it used these terms in tariff legislation.

"In 1921 the Emergency Tariff Act was passed. House Report No. 1 of the 67th Congress, 1st session, on this bill, which is H. R. 2435, declared the purpose of the bill to impose temporary duties on certain agricultural products to meet emergencies and to prevent dumping of foreign merchandise on the markets of the United States. Tariffs were placed on specified agricultural products.

"Title I of the bill stated that it was 'to protect certain farm products.' It was the purpose of the bill and the intention of Congress to protect the American production of the specified articles named in the legislation.

"The benefit to be derived from that protection inured to the farmer, farm labor, and the investment of the farmer, all of which were involved in the production of those specific articles.

"Title II of that same act, the Antidumping Act of 1921, discloses the same purpose, and an intention to protect an industry which is being or which is likely to be injured or is being prevented from being established by the importation of a class or kind of foreign merchandise at a price below market value in the country of origin.

"The Tariff Act of 1922 and its legislative history again reaffirmed that the term industry or industries were used with reference to specifically named articles and specifically named products. The opening portion of that act recites that it is an act to 'regulate commerce with foreign countries, to encourage the industries of the United States.'

"This was followed by a long list of specific articles and commodities which were to be subjected to a specified tariff. Obviously it was the production of the specified articles that Congress determined to encourage. This intention is demonstrated by a statement in the report of the Ways and Means Committee, bottom of page 3 of Report No. 248 of the 67th Congress, 1st session, on H. R. 7456, where it was said with respect to certain exceptions: 'where the committee thought that particular products which represented infant industries or the materials essential to national preparedness have been given slightly increased rates.'

"And then again, the same report at page 18 states:

" 'A wide range of industries is covered by this schedule and a general statement would apply to them all.'

"The schedule to which the reference is made is a long list of individual commodities subjected to specified tariffs. And then the report continues:

" 'In the case of a number of articles, Japanese competition has become important since the beginning of the war.'

"And it is obvious that the competition was with particular products and articles.

"This same committee report goes on to say:

" 'Both straw and fur hats fall within this schedule, and constitute two very important industries.'

"And there is demonstrated the fact that the industry is identified by its product and the producers of one type of hat are a different industry from the producers of another type of hat.

"The intention of Congress to protect American labor producing a product is found in Senate Report No. 595 on the same bill, that is, H. R. 7456. The Senate committee stated:

" 'In the preparation of this measure your committee has endeavored to recommend rates that will afford protection to American industries and permit them to pay wages sufficient to enable our workmen to maintain an American standard of living.'

"On page 11 of that report which covers schedule 3 of metals and manufacturers of metals, the committee said:

" 'A general policy of adjusting rates on raw materials to protect the domestic mining interests without inflicting undue hardship upon the consuming interests was followed throughout the metals schedule.'

"And there you will observe that the mining interests were not considered one industry but that each mining product was considered a separate industry.

"In 1930 a new tariff act was passed, the purpose of which was 'An act to provide revenue, to encourage the industries of the United States, to protect American labor.'

"And the industries to be protected by these were the industries engaged in the production of specified products. The Ways and Means Committee Report No. 77 of the 71st Congress, 1st session, on H. R. 2667, stated:

" 'For the great majority of the articles for which it'—that is, the Tariff Act of 1922—'provided protection, it is still efficient and sufficient.'

"It was through the protection of American production of named articles that industry was to be encouraged.

"In discussing 'reasons for the readjustment,' the committee states:

" 'New products have been added to the list, improved machinery has been adopted both here and abroad, foreign competition has attacked production in new ways and new lines of products are being manufactured, destined primarily for the American market.'

"The concern of Congress over new products and improved machinery attacking domestic production clearly indicates that the product industry and the product named were considered as synonymous. The report continues:

" 'The protective policy does not exclude and it is not intended to exclude foreign products from our markets, but does propose that such products should not come into this country to the detriment of American producers and wage earners.'

"And the producers are management and capital, and the wage earners are the labor engaged in the production of that specified article to which Congress gave its attention and to which it gave a specified tariff.

"In discussing agriculture and industry on page 4 of the report, the committee states:

" 'Industries generally in the United States are in a sound and prosperous condition but there are a number of instances where the foreign competition is being sharply felt. There is a slackening in these (industries), loss of employment, and a number of instances were presented at the hearings showing that enterprises had been abandoned or were in serious straits.'

"That the committee was thinking of each agricultural product as constituting an industry is demonstrated on page 5, where it was said:

" 'Under the Underwood Act of 1913 agricultural products generally were put under three lists. The restoration of these products to a dutiable status where they properly belong by the Tariff Act of 1922 has been of immense advantage to the agricultural industries.'

"Then again on page 9:

" 'This bill is therefore presented as containing the readjustments necessary to give all our industries, all our laborers, and all our people a fair and equal opportunity in our great market and prosperity.'

"In explaining schedule 3, which covered metal and manufacturers of metal, including straight pins, at pages 43 and 44, under the heading 'Electrical Machinery and Apparatus' it was said:

" 'The products of this important group of industries are now dutiable under two paragraphs.'

"And later under the heading 'Surgical and Dental Instruments' the committee said:

" 'These are among the outstanding American industries suffering from foreign competition.'

"In discussing hardware and tools, the committee referred to the whole group of industries producing hardware and tools.

"In 1934 the Trade Agreements Act was passed. The President was authorized to reduce tariffs. The authority thus given constituted an implement of policy, the use of which necessarily had direct repercussions on domestic producers and domestic industry.

"Recognition of this was at once apparent, as is shown by the escape-clause provisions administratively inserted in the trade agreements. That those provisions were insufficient and ineffectual is demonstrated by the peril-point provision in 1948.

"That the purpose of that enactment was solely for the protection of domestic producers is emphasized by the bitter minority report of the Committee on Ways and Means submitted to the 80th Congress, 2d session, report 2009. The report of the Committee on Finance, which was report 1558 in connection with the same bill, noted that there were complaints from widening sources that domestic producers who required protection against injurious competition from imports were not receiving adequate consideration in trade-agreement negotiations. The report emphasizes that the committee was concerned with the injury to domestic producers resulting from the trade-agreements program. The committee's report as to the necessity for the peril-point legislation turns largely about the injuries caused or threatened to domestic labor, capital, and management producing a like or similar article to that imported under the concession of the trade agreement.

"That act required the Commission before the commencement of negotiations for a foreign trade agreement to make an investigation and report to the President with respect to the limit to which a tariff change might be made without causing or threatening serious injury to domestic producers of like or similar articles, and to report further if increases in duties were required to avoid serious injury to domestic producers of like or similar articles.

"Note that in this legislation the term 'domestic producers' is used interchangeably with 'domestic industry.' Note also that the negotiation of the trade agreements is conducted on an article-by-article and a product-by-product basis.

"In 1951 there was enacted the Trade Agreements Extension Act under which this proceeding is now pending. This legislation when originally introduced and amended in the House provided relief not only when the imported article increased in such quantities as to cause or threaten serious injury to a domestic industry, but also provided the same relief when even a segment of such industry was endangered.

"The debates in the House on this act as thus amended emphasized specifically the oil industry, of which a group of independent producers was apparently bearing a heavy burden. Emphasis was also directed toward potato growers in Maine, it appearing that imported potatoes were giving that segment of the potato industry more difficulty than elsewhere.

"In the bill as finally enacted, the reference to a segment of industry was omitted, but the serious consideration given to extending the benefits of the escape clause to groups either territorial or identified by the production of only a part of the product in America emphasizes the intention of Congress that the benefits of this legislation were intended for specific groups, and more particularly for the precise groups to whom the injury occurred as the result of reductions in tariff rates on specific articles.

"This intention is made more emphatic by the debate in the Senate. The report of the debate of May 21, 1951, CONGRESSIONAL RECORD, volume 97, part 4, page 5494, carries the assurance given by Senator GEORGE, chairman of the Finance Committee, to Senator NEELY, and it reads in this fashion:

" 'Mr. NEELY. Will the distinguished Senator from Georgia please turn to section 7, page 2, of the committee report, and from his profound knowledge of the entire complicated subject of reciprocal trade agreements favor us with his opinion of the following: If a pottery or glass factory in West Virginia should be shut down because of irresistable foreign competition, would it be possible under the pending bill if it became a law for the employees as well as the employer to have the Tariff Commission make the investigation required by that circumstance of the case?

" 'Mr. GEORGE. Yes, entirely so, because it is expressly provided in this amendment that the application may be made by any interested party. Then the whole procedure under the escape clause comes into effect.'

"In the same debate a comparison of the cost of the production of sewing machines in this country as against the cost of such machines in Japan was made, and that is in the CONGRESSIONAL RECORD, volume 97, part 4, pages 5501–5502. It was pointed out that the difference in the selling price of the two machines in this country arose solely from the differential in wage rates paid to the employees. The Japanese worker received 90 cents a day, the American worker received $15.50 a day.

"Those debates did not consider the wages of laborer producing plumbing hardware or any other product which the sewing-machine industry might produce. There are some

other sources of interpretation which give some assistance here.

"An examination of the records of the hearings held in connection with the 1930 Tariff Act will disclose the testimony on behalf of the straight pin industry went no further than the manufacture and the sale of that product. The committee didn't consider any other facts in connection with the pin industry. This is the basis upon which our position is predicated here.

"An examination of the testimony offered in those hearings on behalf of other products will disclose that they likewise were limited in a similar manner. From this it can be concluded that the committee considered only the production of specific commodities, the labor, management, and capital involved in the production of those specific commodities. Those are the elements of production Congress intended to protect by the specific tariff.

"Now, the Antidumping Act of 1921 provided that whenever the Secretary of the Treasury found that industry in the United States was being or was likely to be injured, or was being prevented from being established by reason of the importation into this country of foreign merchandise dumped here, he was required to make a finding of dumping. An examination of those findings beginning in 1922 will indicate the construction put upon the term 'an industry' in its administration. The decisions run in this way:

"Treasury Decision 5233, an industry manufacturing glass frostings is being prevented from being established. Treasury Decision 50035, industry manufacturing ribbon fly catchers. Treasury Decision 50034, the industry manufacturing wool knitted berets. Decision 46826, industry manufacturing woven wiring fencing and netting. Decision 46618, the industry of manufacturing rubber-soled fabric-topped footwear. And Decision 46617, the industry of manufacturing incandescent electric light bulbs and lamps. And so they run, each in a very narrow field.

"Section 337 of the Tariff Act of 1930 dealt with unfair methods of competition, unfair acts in importation of articles into the United States, with the effects or tendency to destroy or substantially injure an industry efficiently and economically operated or to prevent the establishment of such an industry. Under that provision a number of proceedings have taken place before the Commission. What has been regarded as an industry is demonstrated by a number of decisions here. The industry of manufacturing slide fasteners was determined to be such an industry. That is section 337, report No. 86, second series of Tariff Commission, 1934.

"The industry of making and selling drive springs was determined to be an industry, section 337, report No. 87 of the second series, Tariff Commission, 1934.

"The industry of making cigar lighters was determined to be an industry, and the report in that case showed that the complainant manufactured numerous other articles including clocks, toiletware, deskware, automobile goods, electrical goods, and general novelties. It is in section 337, report No. 72, of the second series.

"The industry of making collable metal rules and holders was determined to be such an industry in the United States, section 337, report No. 106, second series, United States Tariff Commission.

"In the Collable Metal Rules case the transcript shows testimony to the effect that the complainant was the largest maker of hand tools in the United States. The report does not indicate that any attention was given to the relation between complainant's manufacture of collable rules and the obviously extensive volume of its own business.

"The decision gives no indication that the production of other tools had any consideration as a factor in reaching the decision that the petitioner in that case was entitled to relief.

"In a section 337 proceeding in the Court of Customs and Patent Appeals, that court sustained the conclusion reached by the Commission in which the complainant manufacturer appeared to be the only member of the domestic industry whose production and cost data was examined. That is the Northern Pigment Co. case in 71 Federal (2d) 447.

"The meaning of the term "industry" as used by the Court of Customs and Patent Appeals in that case is that of a product industry.

"Now, in investigation No. 22, under section 7 of the Trade Agreements Extension Act of 1951 there was involved the importation of handblown glassware. This Commission agreed unanimously that machine-made ware was not like or directly competitive with the imported ware under consideration, and as a consequence the machine-made glassware was not the domestic industry producing like or directly competitive articles.

"And with respect to the profits, it was pointed out in 1 of the 2 recommendations to the President that if the profits derived from kindred industries, in that case the glass-container industry, were to be combined with the profits from the production of the article under consideration, the escape-clause provision would be nullified for all practical purposes.

"It was pointed out that the producers of chemicals would probably never have the advantage of the escape clause if profits of producers of all chemicals were to be considered on the application of the producer of one chemical.

"Now if the Commission pleases, that covers the underlying basis of the position which we have taken here.

"Secretary BENT. Mr. Chairman, I understand that Congressman BAILEY is present and wishes to make a statement.

"Chairman BROSSARD. We will be glad to have your statement, Mr. BAILEY, if you desire to make it now.

"Mr. BRECKINRIDGE. Mr. Chairman, we asked Congressman BAILEY to appear for a specific reason, and if the Commission please, I would like to have the Congressman sworn.

"Commissioner MCGILL. That is not required.

"Chairman BROSSARD. We don't require Congressmen to be sworn unless he is your witness and you insist on it, why we wouldn't insist on it.

"Commissioner MCGILL. As far as any statement he makes, he is under oath the same as we are.

"Chairman BROSSARD. I think we can take his statement as being the equivalent of being under oath, since he is a Congressman of the United States.

"Statement of the Honorable Cleveland M. Bailey, Representative from the Third District of West Virginia

"Mr. BAILEY. May I say to the Commission that I have no formal statement. I was supposed to answer some questions, clarifying questions, and I am ready to be cross-examined.

"Mr. BRECKINRIDGE. Congressman BAILEY, have you heard the discussion of the escape clause that has taken place here this morning?

"Mr. BAILEY. A portion of it.

"Mr. BRECKINRIDGE. Are you familiar with the escape-clause provisions of the Trade Agreement Extension Act of 1951?

"Mr. BAILEY. Yes.

"Mr. BRECKINRIDGE. How did you become familiar with those provisions?

"Mr. BAILEY. I happen to be a Member of the 82d Congress in the 1st session. I am the author of the present escape clause as contained in sections 6 and 7 of Public Law 50.

"Might I add there, Mr. Breckinridge, that the escape clause came in the form of a substitute motion for an escape-clause plan submitted by Congressman CURTIS of Nebraska. It was accepted by Mr. CURTIS as a substitute for his proposed amendment and adopted by the Congress.

"Mr. BRECKINRIDGE. Was Congressman CURTIS' amendment ever voted on?

"Mr. BAILEY. It was not.

"Mr. BRECKINRIDGE. And he personally accepted your amendment?

"Mr. BAILEY. The RECORD will so disclose.

"Mr. BRECKINRIDGE. Did you draft the escape provision that was eventually adopted and passed by the House?

"Mr. BAILEY. I did.

"Mr. BRECKINRIDGE. Did you use in that draft the words 'injury to domestic industry producing like or directly competitive products'?

"Mr. BAILEY. I did.

"Mr. BRECKINRIDGE. What did you have in mind in your use of 'domestic industry'?

"Mr. BAILEY. Let me answer that question by saying that my district is one that produces a large amount of pottery products, glassware, clothespins. I had in mind in my reference to domestic industry there the jobs of the men employed in the plants, the welfare of the management, including adequate profits, because everyone realizes that the only way you can have continual employment is to have profits for management.

"Mr. BRECKINRIDGE. Were you concerned about that because those industries were actually experiencing difficulty with imports?

"Mr. BAILEY. I was, and may I add, Mr. Breckinridge, that we are still experiencing those injuries. I visited my home State, Saturday last, and due to the operations of your Reciprocal Trade Agreement Act, in major part, we have 106,200 people on relief in 26 counties in the State of West Virginia.

"Mr. BRECKINRIDGE. What was one particular product that was being imported and that you were concerned about?

"Mr. BAILEY. Well, I mentioned those three. I was also concerned in the independent oil industry, and that is why I included in my draft of the escape clause segments of an industry, because I was thinking of the welfare of the independent oil producers of my State as distinguished between them and the oil cartel which was importing excessive amounts of residual fuel oil and crude oil into the United States.

"Mr. BRECKINRIDGE. By the oil industry, what do you refer to there? Do you mean the corporate organizations engaged in the oil industry or the capital engaged specifically in producing oil?

"Mr. BAILEY. Well, I was thinking of protecting the people who are employed in the independent oil industry and the profits of the independent oil industry. I think it is a well-known fact that three of the major American oil companies, together with the Dutch Shell, are engaged in extensive developments, possibly as much as a million barrels of crude oil a day like Maracaibo in Venezuela.

"I wanted to make sure that my independent oil industry had an opportunity to survive in the face of those floods of imports.

"Mr. BRECKINRIDGE. Mr. Congressman, in the case of spring clothespins, which I understand are produced in your State, were you concerned about that?

"Mr. BAILEY. I was very much so. We have the largest clothespin producing plant in the world in my district.

"Mr. BRECKINRIDGE. In your concern about that industry, were you concerned about the corporate entities who were producing spring clothespins, or were you concerned about the labor specifically employed in producing spring clothespins?

"Mr. BAILEY. I was concerned primarily with the jobs of about 400 employees employed in that plant, and the fact that the company had to make a profit in order to keep those people employed.

"Mr. BRECKINRIDGE. Were you concerned about their income from Government bonds or from other sources or from other production than spring clothespins?

"Mr. BAILEY. I have no knowledge that they had such investments, and I was not concerned in that angle of it whatever. I had in mind protecting the wage levels and the standard of living of the people employed in that plant and continuing work.

"Mr. BRECKINRIDGE. What in your opinion was the understanding of the House of the words 'domestic industry' when they debated and adopted the escape clause containing those words?

"Mr. BAILEY. I think if you will peruse my debate on the floor there, you will understand what the primary object was. It was to protect domestic industries, producers of individual articles who were being harassed, injured, harmed by importation, excessive imports of light products coming from abroad.

"Mr. BRECKINRIDGE. May I put this question to you? If General Motors should buy out the spring clothespin plant, in your opinion would they be part of the industry producing spring clothespins?

"Mr. BAILEY. I should not so consider.

"Mr. BRECKINRIDGE. That is all, Mr. Chairman.

"Chairman BROSSARD. Mr. Breckinridge, do you desire to make an opening statement as counsellor or do you want to be sworn?

"Mr. BRECKINRIDGE. I would like to make partially a statement as counsel and partially as a witness, sir, and I would prefer to be sworn.

"Chairman BROSSARD. You had better be sworn.

"Testimony of John Breckinridge, representing the straight pin industry (having been duly sworn by Secretary Bent)

"Mr. BRECKINRIDGE. Mr. Chairman, first I would like to make it entirely clear on the record that the position of the applicants has consistently been one not of lack of cooperation nor a desire not to give the Commission anything that is necessary to the investigation and a proper decision in the investigation, but they have, as I think they are entitled to, their opinion of what the law means, what they are entitled to under the law, and what was meant by the domestic industry producing straight pins.

"We made it clear from the very beginning that if the investigation had to consider and be affected by the production, sale, and profits of other products, we would prefer or just as leave the investigation not be made.

"We recognized all along the right of the Commission to overrule us, to make an adverse report on the investigation without a hearing, and we assumed that that would be done if the Commission, by formal vote, ruled that we were not supplying relevant and pertinent information under the law.

"We still take the same position. If it is necessary to supply the figures on the production of plumbing fixtures, we would just as leave not have the investigation made. We feel that we are entitled to that position.

"Commissioner RYDER. I thought you put your statement in the record of your position on this subject. Why do you have to repeat it here now?

"Mr. BRECKINRIDGE. Commissioner Ryder——

"Commissioner RYDER. We heard it ad nauseum.

"Mr. BRECKINRIDGE. I am not repeating just what was said yesterday; I intend to supplement it briefly, and since the statement on behalf of three Commissioners has been read in the record here, I think we are entitled to state our position and have it clearly understood.

"Commissioner RYDER. Well, we gave you permission to put in the record your full statement on the other, applicable to this case.

"Mr. BRECKINRIDGE. I am not going to repeat what is in the statement already in the record.

"Chairman BROSSARD. Proceed, Mr. Breckinridge.

"Commissioner MCGILL. Mr. Chairman and Mr. Breckinridge, I do not mean to interrupt the course of your statement——

"Mr. BRECKINRIDGE. It is all right, Senator.

"Commissioner MCGILL (continuing). But I think there is one matter that may not have been clearly stated in the questions that were propounded to you a few moments ago with reference to overall production, and that is that my reference was intended to be the overall production, etc., in the plants where straight pins are produced. I want to make it clear that is what I had in mind, and, I take it, you also, unless you state to the contrary, you had it in mind also.

"Mr. BRECKINRIDGE. We had that in mind; yes, sir.

"Commissioner MCGILL. Yes.

"Mr. BRECKINRIDGE. On that point we feel that where Oakville may have 2 separate plants and Risdon may have 2 separate plants, another company, Star Pin Co., may have a comparable thing, but only separated by a wall, makes no real difference as to what is material and what is not material.

"Commissioner MCGILL. Well, I had in mind some company might manufacture in some place railroad engines, and I am not trying to get at anything like that and, therefore, I meant to confine my questions to the plants in which straight pins are produced; that that is the information we are asking for, the information from those plants.

"Mr. BRECKINRIDGE. I think after the investigation is completed the Commission will find that in the plants involved are produced some items that are just as irrelevant and immaterial as railroad engines.

"Back before the escape clause was enacted in 1951, the Commission had operated purely under an Executive order which did not state any criteria for escape-clause investigations. Those investigations were conducted under an administrative escape clause which was written in administratively by the State Department primarily into trade agreements.

"The escape clause provided for relief only—the principal provisions—only in case of unforeseen developments and in case of unforeseen injury; and it provided no criteria, no rules, for the conduct of investigations, and no procedural provisions.

"Under those investigations, the Commission wrote some indication of the criteria they considered and, for the most part, dismissed all applications for an investigation without even a hearing and without stating a reason for not conducting the investigation.

"Under those, I am sure, that the Commission considered these broad range of products that a producer of a product being injured or which they claim was being injured, they also produced. I am sure they considered also broad economic factors, the effect on world trade, international trade, generally.

"Commissioner EDMINSTER. May I interrupt you there? Since no report was issued, no statement of reasons was issued, how did you become sure of what we considered?

"Mr. BRECKINRIDGE. I have a statement——

"Commissioner EDMINSTER. What is your source of information on that?

"Mr. BRECKINRIDGE (continuing). A statement by Commissioner Ryder, who was at that time Chairman of the Commission, before the House Ways and Means Committee in 1948, testifying on H. R. 6556 which, at that time was considering a bill to extend the Trade Agreements Extension Act.

"I will not quote it, but the statement of the, at that time, Chairman, Commissioner Ryder, did indicate that these broad other things were considered and were pertinent to their investigation.

"Comparable statements were submitted at later times to the committees of Congress considering that or a subsequent extension of the trade-agreements law.

"In 1951 the matter was again considered, the Trade Agreements Act was again extended, and at that time was when the escape clause was written under the act under which this proceeding is being conducted.

"In the minority report of the committee recommending a bill to extend the trade-agreements law without an escape clause and extension as was, it had this to say—now, this is a minority report, and was a minority report by 10 to 5:

" 'The authority of the President to enter trade agreements was delegated to him by the Congress in the 1934 amendment of the Tariff Act of 1930. The 1934 amendment did not itself, however, provide any avenue of escape from serious injury, but almost all trade agreements now contain a so-called escape clause designed to prevent serious injury or the threat of it to domestic producers and their workers. The language of the escape clause is as follows.'

"I will not read the escape clause, but the significant thing is it contains criteria, particularly unforeseen, but not in the present law.

"Then the committee minority go on:

" 'As a result of the patent looseness of and ambiguity of the language of the escape clause, and as a result of the lack of any standards established by the Congress for the President's guidance in determining when relief should be granted, only one industry has ever been afforded relief by the President under this clause, and this took nearly a year to accomplish. The facts established during the public hearing on H. R. 1612 brought clearly into focus that the failure of the Congress to lay down any broad principles to guide the President has resulted in the complete ineffectiveness of the escape clause and that this failure is the basis of the well-founded complaints against the present procedure'—well-founded complaints against the present procedure which the Ways and Means Committee considered.

" 'Because of the complete ineffectiveness of the escape clause, domestic producers, even when they have been injured, feel it futile to apply to the Tariff Commission for relief, and even when relief is requested the ambiguity of the language in the escape clause is such that most applicants have been dismissed without even a formal investigation. A summary is given in appendix B listing all applications which have been made under the escape clause and showing the disposition of these cases.'

"Now, that report—that opinion—of the former administration and criteria of escape clause became the majority opinion of the House and the majority opinion of the Congress.

"Mr. Congressman BAILEY, who drafted the original version of the escape clause that was finally enacted, and sponsored it on the floor of the House, was here and testified as to what his intent was and what he thought the intent of the House was, what they understood the law to mean after the debate in which he participated.

"Commissioner MCGILL. You think that is a legal manner of determining what was the intent of Congress in the enactment of the bil?

"Mr. BRECKENRIDGE. I think that that is a part of the legislative history going to make up and to determine what the intent of Congress was. I do not say or contend that it should be necessarily controlling. I think that has to be taken along with other indications of the intent, such as the reports, the debates, the conference report, and final passage.

"Commissioner McGILL. Do courts, in your judgment, take into consideration the testimony of a Member given after the measure had been passed?

"Mr. BRECKENRIDGE. I do not think the courts would give much weight to it; were it available, I think they would consider it for such weight as they saw fit to put on it. Certainly, it does not carry as much weight as the debates and the reports do. We think the debates and reports all substantiate what Congressman BAILEY testified to.

"The language involved here is 'injury to the domestic industry producing a like or directly competitive domestic product.'

"That language was contained in the House version, as passed, was not changed by the Senate version, and was finally adopted in the same form by the conference report and by both Houses of Congress, and signed by the President.

"We think that very clearly, in view of the background, the information that the Congress had as to how the Commission had administered the escape clause in the past, makes it very clear that they intended that there be a change, and because they did not like the criteria being used, did not like the procedure being followed, they specifically wrote a procedure section, section 7.

"They not only said the concession shall not continue if it causes injury; they said, 'You shall investigate and follow these criteria.'

"We think that what the Commission has done in the past has been completely overruled by the Congress, and they have laid down new criteria for procedure and for findings of fact.

"In interpreting these words, 'domestic industry,' I think we have to go, in addition to what Mr. Heron has said on the subject which, I think, is very convincing as to what Congress has always understood the word 'industry' to mean in tariff legislation of various kinds, in 2 pieces of legislation where they have used it in this same context, that is, injury to domestic industry, or preventing domestic industry from being established, and those 2 pieces of law being the Antidumping Act of 1921, and the unfair-trade-practices section of the Tariff Act of 1930, which is section 337—decisions under those 2 laws by the Secretary of the Treasury in the case of dumping, by the Tariff Commission in the case of unfair-trade practices, have all indicated that industry and injury to industry meant injury to the production, the labor, capital, and management devoted to the production of the product being dumped or the product which was being unfairly imported; and the Commission, in the decisions, has consistently referred to injury to the industry of manufacturing flycatchers, the industry of manufacturing rules, and in those cases the companies producing those rules produced many other things.

"They did not consider the corporate activity of the companies producing those to be the industry, and when Congress spoke of injury to industry, it is not reasonable to think they were thinking in terms of corporate entities.

"The Congress thinks in terms of people, labor primarily, votes, if you please. They do not think in terms of corporate entities, and if a corporate entity is producing straight pins, regardless of other products they might be producing, they are thinking of the labor in straight pins, and they wanted to keep the labor of the straight-pin machine and not in Michigan producing automobiles.

"I think it is unfortunate that three members of the Commission have made up their minds and announced their decision before they heard our argument on the case. We fully recognize and fully respect the right of the Commission to overrule us, the same as we do any court; but we normally expect our day in court before they overrule us.

"If the Commission will permit, I would like to make an opening statement on the facts of the labor, management, and capital in producing straight pins.

"I first would like to introduce as an exhibit, a copy of the application filed by the applicants on September 22, 1953. In that application we have brought the statistical figures up to date through the year 1953.

"At the time of filing they only contained figures through the first 6 months of 1953.

"Mrs. COMPTON. Exhibit 2.

"(The document referred to was marked 'exhibit 2 (Breckinridge).')

"Mr. BRECKINRIDGE. Next I would like to introduce an exhibit, a consolidated industry report to the Tariff Commission, which contains consolidation on the overall industry basis of precisely the information which was submitted to the Commission by each individual applicant on a questionnaire submitted to the Commission; and I have changed none of the figures. I have only consolidated them in one report giving an industry picture. They were consolidated from a copy of the reports which were sent to the Commission directly by each individual applicant.

"I think it would be well to note that the information contained in the questionnaire submitted by each applicant contained in exactly the same form, with exactly the same instructions, with exactly the same headings and subheading numbers and titles as was requested by the Commission's questionnaire.

"We revised the questionnaire only in respect to omitting information on the production, sales, and profits of products other than straight pins, and we included considerable information in addition to what the Commission asked for. Each applicant submitted all of the information that was requested by the Commission with respect to straight pins.

"This exhibit is being submitted in confidence, and I have a copy here for each Commissioner.

"Mr. MARTIN. Mr. Chairman, may we inquire why these consolidated figures of eight companies should be received in confidence?

"Mr. BRECKINRIDGE. Mr. Chairman, we consider the figures as confidential because they reveal information of value to our competitors, and the makeup and nature of the industry is such that with this overall industry report it would not take much ingenuity to figure out substantially what the operations of each individual company were.

"Now there is certain information in the report—the report, as a whole, is confidential, but there is certain information that is taken from public records in it, which I have extracted and now propose to give to counsel for the importers. That information is item 2 on annual sales in pounds and in dollar value.

"It includes another item that we added on production capacity on existing machines and facilities, item 4 on exports, item 4–X on imports, item 4–Y on apparent acquisitions by the domestic market.

"Mr. MARTIN. Mr. Chairman, I appreciate the information that has been given us graciously, but I repeat my question. There are 8 companies involved here, and this is a consolidation of 8 companies' statistics. This cannot reveal the operation of any individual companies.

"Mr. BRECKINRIDGE. Mr. Chairman, I would like to say at this point that the applicants are extremely anxious that this information be treated as highly confidential, and at this point I might suggest that a little later on the applicants would like to have an informal conference with the staff of the Commission indicating the type of things that they would prefer not to have published in the report.

"Of course, we are not trying to dictate to the Commission, but the type of information that has been included in some reports of the Commission, in this case would be very damaging. We, of course, recognize the Commission's right to do as it pleases.

"Commissioner McGILL. Have any of the applicants seen this report?

"Mr. BRECKINRIDGE. They have all seen it, sir.

"Commissioner McGILL. All have seen it?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner McGILL. Then they know what is in it, do they not?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner McGILL. So that any of this confidential information that might be revealed from one to the other has already been seen?

"Mr. BRECKINRIDGE. We are concerned about revealing the information to our foreign competitors and to others outside the industry, who the applicants do not wish to reveal the information to.

"Commissioner McGILL. So far as each applicant is concerned, he has had his opportunity of figuring out his competitor's data?

"Mr. BRECKINRIDGE. As best he can, but I am sure—I do not wish the importers and the foreign manufacturers to have the same opportunity.

"Mr. MARTIN. Mr. Chairman, we appreciate the implication of superior analytical ability to figure out these confidential matters, but we do not think the compliment is warranted. I do not believe that the rule has ever been taken to such an extent to mean that eight companies' figures, which are all common knowledge among the companies, nevertheless should be confidential Government statistics.

"Commissioner McGILL. May I ask Mr. Breckinridge——

"Mr. BRECKINRIDGE. This is a confidential industry statistic not Government statistic.

"Commissioner McGILL. Let me ask you a question, Mr. Breckinridge, in connection with this.

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner McGILL. Are the figures of individual companies shown here or is it the total of all eight companies that are shown?

"Mr. BRECKINRIDGE. It is the total of all eight companies.

"Commissioner McGILL. So that no 1 of the 8 is disclosed, not 1 of the 8 is disclosed? It is just the totals, and the best you could do would be to——

"Mr. BRECKINRIDGE. The nature of the business is such, and the knowledge outside the industry of the operations of the different companies is such, that it would not take anybody long to figure out almost exactly what the individual company operations are. Now, if the Commission will not accept it in confidence, we will be glad to withdraw it.

"Commissioner McGILL. I do not care myself. I do not think it is confidential, though.

"Chairman BROSSARD. I would accept it in confidence at this time. We have not had a chance yet to examine it in detail because it was submitted this morning, and I would like to say that if the Commission should decide that it is not material that ought to be submitted in confidence, why, then we will subsequently make it known to these people and that they can withdraw it if they want to or leave it in and make it public, one or the other; but right at this moment I would not want to make a ruling on it one way or another. I think that is the feeling of my colleagues.

"Mr. BRECKINRIDGE. The Commission would advise us before they published any information, would they not?

"Chairman BROSSARD. Oh, yes.

"Commissioner EDMINSTER. You would have an opportunity to withdraw it if you preferred not to submit it, if we were not going to treat it as confidential.

"Mr. BRECKINRIDGE. All we would want is an opportunity to confer about it, and the Commission could do as it pleases.

"Chairman BROSSARD. This is the rule of the Commission on this matter of confidential information. It is 3 (c) under 201.6:

"'Information submitted to the Commission in confidence should be submitted on separate pages clearly marked "Confidential." The Commission may refuse to accept in confidence any particular information which it determines is not entitled to confidential treatment.'

"It was upon that basis that the Commission does not rule positively upon the subject at this time because we would like to examine the document carefully to see whether or not it is the kind of information that might reveal operation of individual concerns.

"Mr. BRECKINRIDGE. That is satisfactory, sir.

"Chairman BROSSARD. Before it is published in any way, we will give you people an opportunity to withdraw it or leave it in as an exhibit in confidence.

"Mr. BRECKINRIDGE. Now, Mr. Chairman, in order to avoid lengthy questioning later in the hearing, I would like to explain minor deviations that will be found in the statistics included in the application and in the statistics included in the consolidated report which has just been submitted as exhibit No. 3.

"Mrs. COMPTON. No. 3.

"(The document referred to was marked 'Exhibit 3, "Confidential" (Breckinridge).')

"Mr. BRECKINRIDGE. Here again in the application, the statistics were gathered by the Pin, Clip, and Fastener Association, straight pin division, and reported on a somewhat different basis than was requested by the Commission.

"These figures on sales do not include exports, whereas the figures on the Commission's questionnaire do include exports.

"Also another reason for minor differences which we do not think are consequential concerning the industry picture, in the case of retail items, such as papers, straight pins stuck on a paper, it was necessary for the secretary of the association to determine from the applicants a factor, and convert those pin papers to a pound basis.

"Now, in the case of the Tariff Commission questionnaire, each company converted where he did not have accurate pound figures, he converted his retail items, pin papers, to a pound basis based on his own records, and would be more accurate than what is in the application.

"But other than that, errors of that sort, I do not believe the figures are substantially different unless, possibly, I made a mistake in addition somewhere which, of course, the Commission will find.

"Now, in analyzing and considering the facts in the straight pin industry, I think underlying every consideration should be its profit picture, in the past and today.

"Now, that appears on page 15 of the questionnaire, and at the bottom line "percent of net profit to net sales," which is item 30, it shows that the industry, both before the war, during the 1935–39 period and since the war, has been operating just on the verge of the break-even point, sometimes a little below, sometimes a little above.

"The average profit during the 1935–39 period was a loss of .4 percent.

Chairman BROSSARD. Is that net profit before income taxes?

"Mr. BRECKINRIDGE. No, that is net profit after State and Federal income taxes; and we have used that figure because that is what you pay dividends on, that is what you get a return on your investment on.

"Now, in the immediate postwar period, 1946 and 1947, the companies, as did all companies, made some money; but, surprisingly little, compared to the profits of other firms, comparable firms in the same period.

"During the 1946–49 period, the profit, average profit, was less than 8 percent of net sales, and then in 1950 was when the imports hit, and from 1950 through 1952, the average profit dropped to only 3.2 percent.

"In 1952 it hit the low of a loss of 1.3 percent of net sales. In 1953 we had some recovery to the surprising figure of two-tenths of 1 percent profit.

"Now, the significance of that is that the industry is just on the verge, just operating, at the break-even point.

"Before the war they were struggling to get out of the depression under difficult circumstances, and they were saved by the war, beginning in 1939 and 1940.

"Since the war, immediately thereafter, they had considerable volume because of the pent-up demand, and the fact that trade channels had been exhausted, but it started a steady decline, and when the imports hit, it has removed any possibility of the industry pulling itself up by its own bootstraps.

"The present percent of imports to annual sales is not any startling figure, as one hears of imports these days, but the nature of the industry makes a small percentage much more damaging in this case than two-thirds of sales, as it would be in wool or some other commodities where the production capacity is less than demand.

"In this case production capacity is considerably in excess of American demand. Prewar 1935–39 imports averaged 2.4 percent of domestic sales in the domestic—correction, averages 2.4 percent of domestic market acquisitions or apparent consumption.

"In 1946–49, they averaged four-tenths of 1 percent, and then the availanche by comparison started. It went up to 3.2 percent in 1950, 10.7 percent in 1951, 6.5 percent in 1952, 8 percent in 1953. But those imports have had to be absorbed on a declining market, on a static demand, and a considerably declining per capita consumption.

"The average domestic sales in 1935–39 were 3,763,433 pounds. Even during the peak period of the immediate postwar 1946–49, it averaged less than prewar. It averaged 3,121,236 pounds.

"In 1950–52 average, it averaged 3,267,182, still below prewar.

"In 1952, when the full force of the imports was felt or, perhaps, I should stop and explain that—in 1950 and 1951 there was considerable importing as a result of scare buying, stocking, afraid we were going to get into total war, and those imports were not all consumed, and they very seriously, in our opinion—and I think the facts will substantiate it, very seriously—affected sales in 1952, and is still affecting sales.

"In 1952 sales dropped to 2,389,341 pounds. In 1953 there was a slight recovery to 2,917,188 pounds, both substantially below the prewar sales, substantially below the preconcession sales for postwar, if you want to consider that period as representative.

"Now, in addition to the sales, I think the next most important factor is production capacity. I have asked for and obtained from each applicant the following figures: Their actual production in 1953, the additional number of pounds they could have produced in 1953 with existing machinery, and within normal work schedules, and 5 days a week, and their production capacity.

"Chairman BROSSARD. Is that one shift?

"Mr. BRECKINRIDGE. It is one shift in most cases, Mr. Chairman. In the case of one company they normally run a two-shift schedule of production, I understand. Within my knowledge there is only one company where it is more than one shift.

"I also asked for the additional capacity, additional amount, number of pounds that each company could have produced with additional shifts on the same machines and with the same facilities. Those figures, production in 1953, were 3,181,128 pounds.

"Chairman BROSSARD. Is that in addition to what they did produce?

"Mr. BRECKINRIDGE. No, that is what they actually produced in 1953.

"Chairman BROSSARD. Yes; all right.

"Mr. BRECKINRIDGE. This is on the first page of the consolidated report, incidentally.

"The next figure was the additional amount they could have produced within a normal work schedule, which was 997,356 pounds, making a total production capacity, with normal work schedule and existing facilities, of 4,178,484. That is more than the domestic market has ever consumed since 1935, and it appears we have declining overall consumption as well as declining per capita consumption.

"The greatest amount that was ever required by the market was in 1936 with 4,148,504 pounds.

"In addition to that, if we should ever have an emergency and need it, which is unlikely, the companies could produce a still additional amount of 5,070,724 pounds if they used additional shifts, with existing machinery and facilities.

"In view of the testimony that will be submitted later to the effect that a pin is a pin, and you cannot tell a foreign pin from a domestic pin, under those circumstances, it is difficult to conceive of how 1 pound, even 1 pound or, let us say 100 pounds—which would sound a little more reasonable, 100 pounds—can come in here without displacing the consumption of the American-produced pin; it just cannot be done.

"How seriously have we been hurt to date? During 1951 and 1952, the domestic manufacturers lost about 550,000 pounds of sales to imports.

"To these companies, operating at a break-even schedule, that is serious injury and the threat of future imports is much greater because with the volume they got in 1950 and 1951, they were able to get their foot in the door to establish a distribution system, to establish stocks from which they could make delivery, and that is what is causing the very serious threat to the industry in the future.

"In the past, the main thing that protected the industry was not the tariff primarily, but the fact that the importers could not deliver.

"This industry operates on a delivery basis from inventory. Until they built up a stock and improved their distribution system, the users were hesitant to buy from them for fear next month they could not get delivery. Now, that reliability of supply preference is disappearing, and disappearing rapidly.

"In the application we estimated that 90 percent of the imports were of steel pins, and that they were imported in bulk form for industrial use rather than household use. We do not know the actual figures—they are not available to us—but we still think that figure is about right, although there are indications in the market that imports of brass pins, and imports of retail packaged pins are increasing, and probably will increase further, particularly because of the distribution system they built up which enables them to contact better retail stores and retail outlets.

"The bulk is sold to large industrial users where you can make one big sale, big volume, and not have much investment in inventory, and so forth.

"But as they build their distribution system they will move more and more into the brass pins and hospitals, and so forth, and into household use and, incidentally, as well as the imports, a large percentage of the domestic production is also sold in bulk packages to industrial users.

"It is not quite as big as the percentage of the imports, but it runs somewhere between 70 and 80 percent, 70 to 80 percent in bulk form; and in table 3 of the application, which is exhibit No. 2, I believe, this shows the distribution and sales on a gross basis rather than a dollar value basis shown in the Tariff Commission questionnaire; it

shows that of brass straight pins 76 percent of the domestic production is sold in bulk to industrial users; and of steel, 91 percent, almost 92 percent, of the domestic sales are in bulk form to industrial users.

"Now, those figures are for 1953, and they are pretty close to that for other recent years. For all sales put together, the bulk is 84.66 percent bulk for industrial use.

"Now we believe that the imports consist chiefly of No. 16, No. 17, and No. 20 straight pins in bulk form; those are the size numbers, sizes Nos. 16, 17, and 20.

"In 1953, the domestic sales of those particular sizes constituted 41.9 percent of their total sales. That is one figure I was not supposed to reveal; it was a slip.

"Commissioner McGill. Don't let us know about that because we might tell it to somebody.

"Mr. Breckenridge. I am sure, Commissioner, that Germany will know of it tomorrow, but we all make slips once in a while. I do not know whether they will fire me or not. But anyhow, it illustrates that the great bulk of the imports are affecting the backbone of the American pin industry. The straight-pin industry is built around sizes Nos. 16, 17, and 20.

"I have referred to the trend of sales and how they went down, beginning with 1950, when the imports increased in such tremendous volume—and when I say tremendous volume, I am referring to as compared with imports at any other time—and in 1950, when everything was supposed to be prosperous, we had the Korean war scare-buying and everybody says we had quotas and could not sell enough, our inventory was 518,077 pounds of pins. That is shown on page 3 of 7 of the questionnaire, which is item 5, and the Commission will note that while the Korean war was still going on, our sales declined from 3 million to 2 million in round figures, and in inventory, as the Commission will see, went up very, very substantially.

"It would not indicate that we were short of pins or short of material to produce them with. The situation has been such that this industry could pretty much control, in spite of the allocations, how much steel or brass it put into pins, as distinguished from other products.

"The employment in the industry has not gone down alarmingly. The number of people, the number of hours, is not alarming as yet, but the downward tendency is apparent, and with the importers now having a foothold in the market, it will probably go down very rapidly if we do not obtain relief.

"Now, a drop of 10 or 15 percent in the volume of this industry at this time could put most of the producers out of business unless they saw a recovery in the immediate future, and I believe the testimony of the individual applicants will substantiate that.

"Mr. Chairman, that completes my opening statement.

"Commissioner Schreiber. Mr. Breckinridge, you do not mean that, if, for instance, Oakville was to drop out of the straight-pin business that they are making, that they would have to close up, do you?

"Mr. Breckinridge. I did not say that, Commissioner, I hope.

"Commissioner Schreiber. Well, you said they would have to go out of business.

"Mr. Breckinridge. I intended to say they would go out of the straight-pin business.

"These companies produce straight pins to make money, and if they do not make money they are not going to continue to produce them. They do not carry them as a loss leader in their line, and the straight-pin production has got to stand on its own feet, and if it does not make money they are going to take their money out and put it some place else.

"Commissioner Schreiber. Wait a minute, this is straight pins.

"Mr. Breckinridge. Did I say safety pins?

"Commissioner Schreiber. That is what you said.

"Mr. Breckinridge. Thank you, Commissioner; I hope the reporter will correct that. I am troubled with the same trouble the chairman is. I might ever say spring clothes pins.

"Commissioner Talbot. Yesterday, Mr. Breckinridge, I asked you the form of relief that you recommended. I had in mind an increase in tariff or a quota, and you said you would take it up before the end of the hearing, which, apparently, you forgot to do.

"Mr. Breckinridge. I did not.

"Commissioner Talbot. Somebody forgot it, anyway, and we did not get it, so I assume you will put it in your brief. I do not find anything in here as to the form of relief you are asking.

"Mr. Breckinridge. I believe it is in there, Mr. Commissioner, Commissioner Talbot. I did not completely forget it before. We were rushed for time, and I thought we would put it in the brief.

"We have requested in the straight-pin case—I will do it now so I will not forget it—we have requested—an import quota of 100,000 pounds of straight pins.

"We feel that is necessary to establish some stability in the market, and we feel it is the type of relief that can prevent injury and do the least amount of damage to the dollar resources of the countries which export pins to the United States.

"Commissioner Talbot. The chairman points out to me that it is page 4 and page 5.

"Mr. Breckinridge. The reason for that is with a quota limitation of 100,000 pounds that quantity can come in, which is more than has ever come in before 1950, that quantity can come in with the benefit of the concession, with the reduced duty, and give an additional dollar return to the foreign countries involved; and it might bring about a situation where prices in this country can increase, at least to a reasonable level, to where the domestic manufacturers can earn a fair return on the investment involved.

"However, I think the Commission can be satisfied that a limitation would not cause any extremely high prices in the domestic market because you have eight producers, and the history will show that this has been a highly competitive business among our own domestic producers. We never had extravagant or exorbitant prices in the past, in the 1930's when imports were inconsequential. I would not say inconsequential, but they were very, very small.

"Now, if the Commission concludes that a quota—if the Commission finds injury and concludes that a quota—is not the right kind of relief to recommend, we urge that the duty be increased to 52½ percent. That is the maximum which it could be adjusted under the escape clause; that is the 50-percent increase above the rate in effect on January 1, 1945, which was 35 percent.

"Now, the law authorizes, in making concessions, that the rate be fixed anywhere between 50 percent above, 50 percent below, the rate in effect January 1, 1945.

"I was pleased to note for the first time that a finding of the Commission had recommended an adjustment of the rate under the escape clause to above the original rate, I believe it was in the handblown glassware case.

"While the industry feels that a quota is the better form of relief and would be even more acceptable to the importers and the foreign producers, we hope that if a quota is not granted, that a rate of 52½ percent will be recommended. A mere reversion to the 35 percent would not prevent injury to this industry.

"The third alternative is if the Commission decided merely to withdraw the concession entirely, if the Commission decided to recommend that, that is, we would prefer to have the concession entirely withdrawn and let the rate revert to the statutory rate of 35 percent rather than adjusting the concession to 35 percent.

"If the concession is entirely withdrawn, it would then make the industry eligible for relief under section 336 of the Tariff Act of 1930, so they could apply for an increase up to as much as 52½ percent on the basis of the difference between the foreign and domestic costs of production.

"If the Commission does not feel it can recommend a rate higher than 35 percent, we hope they will open the door so we can present our case under the cost-of-production provision of the Tariff Act of 1930.

"Thank you for bringing that up, Commissioner Talbot.

"Chairman Brossard. Commissioner McGill has a statement he would like to make.

"Mr. McGill. Mr. Chairman, I would first like to inquire if all the applicant manufacturers of straight pins are present?

"Mr. Breckinridge. They are all present but one, sir, which is Noesting, whose president had a heart attack recently but he has a representative here to speak for him.

"Mr. McGill. So that there is a representative of the applicant-manufacturers present?

"Mr. Breckinridge. Yes, sir.

"Commissioner McGill. Mr. Chairman, I wish to make a statement for the record, in which I am joined by Commissioners Ryder and Edminister.

"We want the record to show that the applicants in this case have willfully refused to supply the Commission with information which the Commission agreed was pertinent to the instant investigation and which the Commission requested them to supply. The Commission has been very patient with the applicants, notwithstanding repeated assertions by their attorney that they would refuse to supply voluntarily information of the kind in question. With the exception of the investigation relating to safety pins, hearings in which have just been concluded, the Commission has never experienced a situation of this kind, and it is difficult to understand this refusal to supply pertinent information by the very people who have invoked the Commission's jurisdiction in seeking relief for their industry. The type of information in question has been regularly called for in escape-clause investigations, but we have never experienced a deliberate and intentional refusal to cooperate such as has been exhibited by the behavior of these applicants.

"In a situation of this kind, any suggestion that the Commission should resort to its compulsive powers in order to secure the desired information from the applicants is patently absurd. A different situation might obtain in this respect if domestic producers generally were cooperating and only a small but important segment of the industry was withholding information. We are not here confronted with such a situation, however, as applicant-producers comprising over 90 percent of the production of the domestic industry are adamant in their refusal to supply the information.

"The right of the Commission to call for information of the kind involved was originally challenged by the attorney who is appearing today in behalf of the applicants in connection with an application filed with the Commission on December 17, 1952, for an escape-clause investigation relating to safety pins. The Commission, after reviewing the application, decided that information called for by the pertinent rules of the Commission governing applications but not supplied with the applications should be fur-

nished, and requested the applicants to supply the information in a letter to the attorney dated December 31, 1952. A copy of this letter will be inserted in the record at this point.

"I understand the Secretary has these letters and will supply them to the stenographic reporter.

"(The letter dated December 31, 1952, above referred to, is as follows:)

"DECEMBER 31, 1952.

"POPE, BALLARD & LOOS,
"*Munsey Building,*
"*Washington, D. C.*

"DEAR SIRS: Reference is made to an application which you submitted to the Tariff Commission on December 17, 1952, in behalf of the DeLong Hook and Eye Co., Philadelphia, Pa.; the Oakville company division of the Scovill Manufacturing Co., Oakville, Conn.; William Prym, Inc., Dayville, Conn.; and the Risdon Manufacturing Co., Naugatuck, Conn., for an investigation under section 7 of the Trade Agreements Extension Act of 1951 with respect to safety pins.

"The Commission, after considering the application, found that it fails substantially to furnish information called for by the provisions of part 207 of the Commission's Rules of Practice and Procedure, and ordered that the applicants be given until the close of business February 1, 1953, to complete the application by furnishing the necessary additional information. Until the additional information is furnished, the Commission will treat the application as not properly filed.

"The essential deficiency in the application lies in the failure to supply certain information called for by section 207.3 (e) of the rules, particularly paragraphs (1) (ii), (2), (3), and (5). It is noted that the 4 appplicant companies are stated to be the producers of 90 percent or more of the safety pins produced in the United States, and that all of them combine their safety-pin production with other lines of manufacture. Accordingly, there would appear to be no reason why each of these companies could not supply the information called for in the provisions of the rules referred to.

"Also noted is the statement in the application that much of the pertinent information called for in the rules, such as prices and profits, is a closely guarded secret of the various members of the industry and would have to be obtained by the Commission in confidence. In this connection, your attention is called to sections 207.3 (e) and 207.4 of the Commission's rules, which provide for the submission of confidential information in connection with the application. As is clearly evident from these rules, the confidential nature of information called for does not justify failure to furnish such information with the application.

"In order to assist the applicant companies in supplying the necessary information we have prepared a form, copies of which are attached, which they may wish to use. Any information called for on the form which the applicants consider confidential may, if desired, be submitted in confidence by each of the applicants separately. It should be noted that section 207.4 of the rules provides that information submitted in confidence should be submitted on separate pages clearly marked 'Confidential.'

Sincerely yours,

"DONN N. BENT,
"*Secretary.*

"Commissioner MCGILL. The attorney for the applicants replied to the Commission under date of January 15, 1953, flatly refusing to comply and challenging even the Commission's right to make rules governing applications for investigations. His reply will be inserted in the record at this point.

"(The letter dated January 15, 1953, above referred to, is as follows:)

"POPE BALLARD & LOOS,
"*Washington, D. C., January 15, 1953.*

"Re withdrawal of application for investigation under section 7 with respect to safety pins.

"Mr. DONN N. BENT,
"*Secretary, United States Tariff Commission, Washington, D. C.*

"DEAR MR. BENT: We have your letter of December 31, 1952, concerning the above-named application and we regret very much that the Commission has decided to ignore the application on the ground that it 'fails substantially to furnish information called for' and is 'not properly filed' under the Commission's rules of practice and procedure.

"After a careful review of sections 6 and 7 of the Trade Agreements Extension Act of 1951 (under which this investigation was requested) and after a careful review of the Commission's rules, the applicants are confident that their application, as filed, did include all of the information properly required by the Commission's rules. More specifically, the applicants strongly feel that their application was properly filed within the meaning of procedural section 7 (a) of the Trade Agreements Extension Act of 1951, the pertinent part of which commands that 'upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon.'

"The applicants feel that their application was properly filed within the meaning of this mandate of Congress and that the action of the Commission in deciding to ignore the application 'as not properly filed' was improper and not authorized by the statute.

"Even though section 7 was designed and intended by Congress to set up the Commission's procedure under escape-clause investigations and even though the applicants are convinced that the Commission's rules cannot modify this congressional mandate that the Commission 'shall promptly make an investigation,' they wish to state that in their considered opinion their application was 'properly filed' even within the would-be terms and provisions of the Commission's rules.

"The application did submit all of the information required by such rules. Subparagraphs (a), (b), (c), and (d) of section 207.3 attempt to indicate the type of information which shall or must be included in an application and a review of the application will show that all such information was included therein. Your letter does not question this fact.

"You cite subparagraph (e) of section 207.3 of the rules as indicating the type of information called for but which was not included in the application and you enclose a table indicating the desired additional information. A review of this subparagraph (e) will show that it only states that the additional information indicated therein and the information indicated on the table enclosed with your letter 'should also be furnished with an application, to the extent that it is readily available to the applicant.'

"Thus, it is apparent that even the Commission's rules do not require that this information must be submitted with the application. Some of such additional information was included in the application and the balance of it was not and is not readily available to the applicants. Also such information could not possibly be put together in comparable and understandable form by the individual applicants prior to February 2 as required by the Commission's action. The application clearly indicated that such additional information was not readily available to the applicants but that it would be made available to Commission representatives by each individual applicant during the course of the investigation.

"Furthermore, the applicants do not consider the information requested with respect to their production of other commodities as proper to be submitted to or even considered by the Commission within the terms or intent of sections 6 and 7. The applicants have not requested an investigation concerning any of the products they produce other than safety pins. Consequently, they do not consider it appropriate to submit to the Commission information concerning their operations with respect to such other commodities (which differ from applicant to applicant). They consider themselves as representative of the overwhelming majority (90 percent) of the 'domestic industry' producing safety pins which are like and directly competitive with imported safety pins within the meaning of sections 6 and 7. As to their production of other products, which varies from company to company, they do not consider themselves as constituting a 'domestic industry' within the meaning of said statute. Consequently, each individual applicant does not consider any information with respect to their production of other products as being material or relevant to the issue involved in the requested investigation. They also feel that it would be improper for the Tariff Commission even to consider any such information. They feel that the sole question involved in section 7 investigation would be the effect of imported safety pins upon the American producers, capital, and laborers employed in the production of safety pins, without regard to other income they might have or other products they might produce.

"In view of these basic differences in interpretation of sections 6 and 7 and concerning the propriety of the Commission's rules to such extent as they may differ from the statute, the application is hereby withdrawn in accordance with rule 201.8 (d).

"In view of section 201.10 of the Commission's rules concerning public notices and since the Commission does not consider this application as "properly filed," it is assumed that the Commission has made no public notice of the receipt of this application and that its contents have not been discussed with any parties outside of the Commission. Since there is to be no investigation, the applicants are extremely anxious that the information contained in the application be kept strictly confidential. Consequently, it is hereby requested that all copies of the application be returned until such time as the applicants may decide to reapply for an investigation.

"Within a few days the undersigned will drop by your office to pick up the application.

"Very truly yours,

"JOHN BRECKINRIDGE,
"*Attorney for DeLong Hook & Eye Co., Philadelphia, Pa.; Oakville Division of the Scovill Manufacturing Co., Oakville, Conn.; William Prym, Inc., Dayville, Conn.; Risdon Manufacturing Co., Naugatuck, Conn.*

"Commissioner MCGILL. It will be noted that the Commission did not reject the application, but merely called for the desired information which should have been furnished with the application. It will be further noted that the attorney for the applicants withdrew the application voluntarily.

"The application in the intsant investigation relating to straight pins was filed on September 23, 1953, by the same attorney who represented the applicants in the safety pin case referred to above. This application reflected a deliberate omission of the kind of information which was omitted from the former application relating to safety pins. However, for the reasons stated in the Commission's letter dated September 25, 1953, to

the attorney for the applicants, the Commission instituted the investigation. A copy of the Commission's letter of September 25 will be inserted in the record at this point.

"(The letter dated September 25, 1953, above referred to, is as follows:)

"SEPTEMBER 25, 1953.

"POPE, BALLARD & LOOS,
"*Munsey Building,*
"*Washington, D. C.*

"(Attention Mr. John Breckinridge.)

"DEAR SIRS: The receipt is acknowledged of an application filed September 23, 1953, in behalf of the American straight-pin industry for an investigation under section 7 of the Trade Agreements Extension Act of 1951 with respect to straight (common) pins.

"The Commission has noted the statement in the application that 'Such additional information as is indicated as desirable by rule 207.3 (e) has also been included if it was readily available to the applicants in a form that it could be submitted on an industry basis in understandable form.' It appears, however, that none of the information indicated in paragraphs (2) and (3), and much of the information indicated in paragraph (5) of section 207.3 (e) of the rules has been furnished with the application. While it is difficult for the Commission to believe that most of this information is not readily available to the applicants, it has decided to institute the investigation. A copy of the public notice of the investigation is attached.

"In view of the position which you took in the safety-pin case the Commission wishes it to be clearly understood that the institution of the instant investigation is not to be considered as reflecting any doubt on the part of the Commission as to its authority to call for and to consider information of the kind indicated in section 207.3 (e) of the rules, including paragraphs (27), (3), and (5) of that section. Such information is considered by the Commission to be pertinent to investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, and will be called for in the course of the investigation with respect to straight pins.

"Sincerely yours,

"DONN N. BENT,
"*Secretary.*

"Commissioner MCGILL. On September 28, 1953, presumably after the receipt of the Commission's aforementioned letter of September 25, the attorney for the applicants in this investigation relating to straight pins filed an application for an investigation relating to safety pins which, except for bringing certain data down to date, was practically identical with the previous application relating to safety pins filed December 17, 1952. The Commission, nevertheless, instituted an investigation, but advised the attorney for the applicant, in a letter dated October 30, 1953, that it would call for information of the kind omitted from the application during the course of the investigation. A copy of this letter will be inserted in the record at this point.

"(The letter, dated October 30, 1953, above referred to, is as follows:)

"OCTOBER 30, 1953.

"POPE, BALLARD & LOOS,
"*Munsey Building,*
"*Washington, D. C.*

"(Attention Mr. John Breckinridge.)

"DEAR SIRS: The receipt is acknowledge of an application filed September 28, 1953, for an investigation under section 7 of the Trade Agreements Extension Act of 1951, as amended, with respect to safety pins.

"It is noted that, except for bringing certain tables relating to production, sales, and imports down to date through the first 6 months of 1953, the application is identical with that filed in behalf of the same applicants on December 17, 1952, and which was withdrawn January 15, 1953, as a result of the Commission's request in its letter of December 31, 1952, for information which it considered should be furnished with the application.

"In view of the fact that the applicants chose to withdraw their previous application rather than supplement the application with the information requested in our letter of December 31, 1952, thus unnecessarily delaying the investigation for almost a year, the Commission has concluded that, to avoid a possible repetition of such action, it will institute the investigation requested in the instant application. A copy of the Commission's notice of investigation is enclosed.

"The Commission wishes it to be clearly understood that the institution of the instant investigation is not to be considered as reflecting any doubt on the part of the Commission as to its authority to call for and to consider information of the kind indicated in section 207.3 (e) of the Rules of Practice and Procedure, including paragraphs (2), (3), and (5) of that section. Such information is considered by the Commission to be pertinent to investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, and will be called for in the course of the investigation with respect to safety pins.

"Sincerely yours,

"DONN N. BENT,
"*Secretary.*

"Commissioner MCGILL. Under date of October 31, 1953, the attorney for the applicants in the investigations relating to both straight pins and safety pins addressed a letter to the Commission in which he again indicated that the applicants in both cases would refuse to furnish the Commission with the information in question, except under compulsion. A copy of this letter will be inserted in the record at this point.

"(The letter dated October 31, 1953, above referred to, is as follows:)

"POPE, BALLARD & LOOS,
"*Washington, D. C., October 31, 1953.*

"Re investigation No. 28 (straight pin industry) and investigation No. 29 (safety pin industry).

"Mr. DONN N. BENT,
"*Secretary, United States Tariff Commission, Washington, D. C.*

"DEAR MR. BENT: We thank you for your letters of September 25 and October 30, 1953, advising that the Commission has, under sections 6 and 7 of the Trade Agreements Extension Act of 1951, instituted investigation No. 28 with respect to the straight (common) pin industry and investigation No. 29 with respect to the safety-pin industry. We acknowledge also the copies of the public notices of these investigations issued by the Commission.

"The applicants are gratified that the Commission has instituted these two investigations. We are instructed to inform the Commission that the applicants will submit to the Commission or make available to its representatives any requested information in their possession concerning imports or their domestic employment, production, costs, sales, and profits with respect to straight pins or safety pins, the two commodities with which the announced investigations deal. All books and records of each applicant dealing directly with these two commodities (or indirectly to such extent as necessary for allocation of overhead costs or similar items) will be made available for inspection to any authorized representative of the Commission.

"Your letters of September 25 and October 30 comment upon the area and character of evidence to be called for and considered in connection with each investigation.

"As indicated in your letter of January 15, 1953, it is our view that to such extent as the information indicated as desirable in paragraphs (2), (3), and (5) of section 207.3 (e) of the Commission's rules of practice and procedure, and referred to in your letters, relates to the production or sales of commodities other than straight pins or safety pins, or to other sources of income, it is not material or relevant to the investigation of the straight-pin industry or the investigation of the safety-pin industry within the meaning of sections 6 and 7 of the Trade Agreements Extension Act of 1951. The applicants have not requested nor has the Commission ordered an investigation of the effect of imports upon applicant's production or sales of commodities other than straight pins or safety pins. Applicants do not presently claim that their profits from production of other commodities or that their income from other sources are being adversely threatened by imports.

"It is our position that an applicant's production of other commodities or its income from other sources does not constitute a part of the 'domestic industry producing' straight pins or a part of the 'domestic industry producing' safety pins. Also, it is our position that applicants producing straight pins only are not a part of the 'domestic industry producing' safety pins and that the applicants producing safety pins only are not a part of the 'domestic industry producing' straight pins. The two are separate and distinct industries and must stand on their own merits or demerits.

"In past instances, as indicated by your letter, members of the Commission have taken a view different from that to which we subscribe but this action on the part of the Commission has not been unanimous. We wish to earnestly urge upon the Commission a further consideration of all of the factors involved in this question. For this reason, we shall not voluntarily supply information beyond the boundaries indicated herein. We hope that upon consideration the Commission will uphold our view. However, if the Commission concludes that a subpena or subpenas are to be issued to compel the production of this data, we shall promptly comply with such order.

"We wish to again emphasize the fact that all of the applicants, in each case, desire to cooperate fully with the Commission and its staff in supplying any and all requested information from their records dealing directly with their production and sales of straight pins or safety pins, as the case may be.

"In order to facilitate their full cooperation, the applicants would like to suggest an informal conference at the Commission at the earliest convenient time. It is felt that such an informal conference would facilitate a determination of the type of information with respect to safety pins and straight pins desired by the Commission and would enable the applicants to make their own preparations for supplying such information as fully and promptly as possible. At such a conference the applicants would also like to discuss the possibility of a change in the hearing dates the Commission has announced.

"Very truly yours,

"JOHN BRECKINRIDGE.

"Commissioner MCGILL. The Commission responded to this letter under date of November 17, 1953, a copy of which response will be inserted in the RECORD at this point.

"(The letter above referred to is as follows:)

"NOVEMBER 17, 1953.

"POPE BALLARD & LOOS,
"*Munsey Building,*
"*Washington, D. C.*

"(Attention Mr. John Breckinridge.)

"DEAR SIRS: Reference is made to your letter of October 31, 1953, with regard to investigations No. 28 and No. 29 under section 7 of the Trade Agreements Extension Act of 1951, as amended, covering straight pins and safety pins, respectively. Reference is also made to your letter of November 3, 1953, re-

questing postponement of the hearings in these investigations.

"The Commission has noted your statement that the applicants in the above-mentioned investigations will not voluntarily furnish information regarding their operations other than will respect to straight pins or safety pins ,and your request that the Commission give further consideration to the position taken by the applicants. In its letter to you dated September 25 with respect to investigation No. 28, and in its letter to you dated October 30 with respect to investigation No. 29, the Commission clearly stated its position in this matter and therefore does not consider further comment in this connection to be necessary.

"The investigations will proceed in the usual manner, and information which the Commission considers pertinent to the investigations, including information relating to the operations of the domestic industries producing safety pins and straight pins with respect to other commodities produced by such industries, will be called for in due course. If any of such information is not furnished voluntarily, the Commission will either exercise its right to require the production of any such information by subpena or to take such action, other than compulsive measures, as it may determine to be appropriate.

"With respect to your suggestion for an informal conference at the Commission for the purpose of facilitating a determination of the type of information desired by the Commission and to enable the applicants to make preparations for supplying such information as fully and promptly as possible, the Commission has authorized the undersigned to arrange a conference between the applicants and appropriate members of the Commission's staff for such time as may be mutually convenient. However, it should be understood that such a conference will not include a consideration of any question regarding limitations on the extent of the operations of the industries concerned which is to be the subject of inquiry by the Commission in these investigations.

"Your request for postponement of the hearings in the investigations in question has been granted by the Commission. The hearing in investigation No. 29 has been postponed to March 23, 1954, and the hearing in investigation No. 28 has been postponed to March 24, 1954.

"Sincerely yours,

"DON N. BENT,
"Secretary.

"Commissioner MCGILL. In accordance with its usual practice, the Commission in the course of the investigations formulated questionnaires which were mailed to the producers of straight and safety pins on January 8, 1954, calling for information which the Commission considered pertinent to the investigations. These questionnaires were duly approved by the Bureau of the Budget. A copy of the Commission's questionnaire will be included in the record as Commission Exhibit No. 1.

"(The document was marked 'Commission Exhibit No. 1.')

"Commissioner MCGILL. None of the applicants returned the Commission's questionnaires; instead, they each sent to the Commission their own statements of information, which statements supplied some of the information called for in the Commission's questionnaires. However, none of the statements contained information of the kind in question and which the attorney for the applicants had previously repeatedly asserted would not be supplied to the Commission voluntarily.

"The Commissioners joining in this statement consider that the applicants have wilfully refused to cooperate with the Commission; that the applicants are attempting to dictate to the Commission the extent and scope of its investigations; and are insisting on substituting their judgment for that of the Commission as to what information is pertinent to the investigations. The information which the applicants have been requested to furnish and which they have wilfully refused to furnish is necessary to the Commissioners joining in this statement in order for them to arrive at a proper decision in the case, and the Commission itself has agreed that the information is pertinent to these investigations. In the absence of such information being furnished by the applicants concerned, the Commissioners joining in this statement will be unable to formulate findings on the merits in this investigation.

"Inasmuch as it is obvious that the applicants do not intend to furnish the desired information voluntarily, we are of the opinion that this investigation should be terminated forthwith and that the Commission should immediately issue a report thereon, without formal findings, explaining the reasons for the termination of the investigation.

"Now, Mr. Chairman, that completes the statement that I desire to make, but I desire to inquire of the counsel for the applicants, inasmuch as it took considerable time in the safety-pin investigation to cover the point, if the applicants, and each of them—and they are entitled, either one of them, any or all of them, to answer for themselves if they so desire, if they continue and at this time decline to supply the information requested in the questionnaires of the Commission as has been mentioned?

"Mr. BERCKINRIDGE. Senator McGill, in accordance with your desire, I have discussed the matter with all of the applicants and each have indicated that they would stand on the position they have taken in the past, as explained in my letters to the Commission and as explained by Mr. Heron, and that they will supply the information to the Commission if it is subpenaed.

"Commissioner MCGILL. If not subpenaed, do they decline to supply the information?

"Mr. BRECKINRIDGE. They will not supply the information voluntarily, sir.

"Commissioner MCGILL. They understand, and you understand, just what portions of the questionnaire to which reference has been made?

"Mr. BRECKINRIDGE. Yes, sir. The portion they decline to submit voluntarily is that portion dealing with their production, sales, and profits on products other than straight pins.

"Commissioner MCGILL. Mr. Breckinridge, at the hearing on safety pins, I enumerated the various places in the Commission's questionnaire, referred to them by page, and the items contained on each page. You have that all in mind?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner MCGILL. And you decline to supply it without its being subpenaed?

"Mr. BRECKINRIDGE. Yes, sir; and, as I interpreted those portions of the questionnaire which the Senator mentioned, it was those dealing with the production, employment, sales, and profits of products other than straight pins.

"Now, Senator, Mr. Heron, my associate and partner in my firm, is going to make a brief statement at this point concerning our position. I would suggest that it might be appropriate to permit him to appear at this time.

"Commissioner MCGILL. They have indicated what they intend to do, and I am not intending to go through some proceeding here for no particular purpose.

"The questions, Mr.——

"Mr. BRECKINRIDGE. Mr. Chairman, could I at that point—I think what we wanted to do, what Mr. Heron wanted to do, was to ask that his statement of our position on the issue be included in the record as though it were given here in full, although he will not make the statement in full.

"Commissioner MCGILL. I have no objection to that, except I would like to have what I am about to ask precede that in the record.

"Chairman BROSSARD. Yes.

"Commissioner MCGILL. Mr. Breckinridge, do you have the Commission's questionnaire there?

"Mr. BRECKINRIDGE. Yes, sir; I have it right before me.

"Commissioner MCGILL. I would like to call your attention, on the first page, the items on that page shown down a little more than the middle of the page and headed by the letters D and E. Do you have those in mind?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner MCGILL. I take it you have.

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner MCGILL. And on the next page, the items at the top, near the top of the page headed C and D?

"That would be page 2.

"Mr. BREKINRIDGE. Yes, sir; all other products and total.

"Commissioner MCGILL. Then, at the bottom of the page under title 'Average Number of Persons Employed,' all of the items contained therein?

"Mr. BRECKINRIDGE. No, sir. We have supplied (2) (a) on safety pins, (2) (c) on straight pins, (3) (b) on safety pins, (3) (c) on straight pins.

"Commissioner MCGILL. You have not supplied item (1) under that heading?

"Mr. BRECKINRIDGE. No, sir; that is all.

"Commissioner MCGILL. In either case?

"Mr. BRECKINRIDGE. No, sir; because those refer to total employees on other products.

"Commissioner MCGILL. You have not supplied those items which I have last mentioned?

"Mr. BRECKINRIDGE. No, sir; the applicants have not supplied that.

"Commissioner MCGILL. On the following page, which would be page 3.

"Mr. BRECKINRIDGE. It is page 4 of 7, I believe, sir.

"Commissioner MCGILL. It would be 4, page 4, instead of 3, under the first heading of 'Item,' you find that, that part under the heading of 'A'?

"Mr. BRECKINRIDGE. Yes, sir; all products.

"Commissioner MCGILL. You have that in mind.

"Under the next group headed under the title 'Item,' in that place you have in mind that headed by 'A'?

"Mr. BRECKINRIDGE. Yes; that is other products again.

"Commissioner MCGILL. I know it shows for what it is, but I am asking if you have that in mind.

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner MCGILL. Then, the next page there is nothing on it; but the following page, which I think would be page 6—would it be page 6?

"Mr. BRECKINRIDGE. Page 5 of 7, I believe.

"Commissioner MCGILL. Well, you have this place in mind?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner MCGILL. Under operating statements? That is, 15, at the top of the page, you have in mind the matter mentioned under the heading A?

"Mr. BRECKINRIDGE. Is that the one referring to operating statements on the overall business of each firm?

"Commissioner MCGILL. It reads: 'Submit with this questionnaire audited profit-and-loss statements and balance sheets for your company as a whole for your accounting years 1939 and 1948 to 1953 inclusive.'

"Mr. BRECKINRIDGE. Yes, sir. The applicants have not furnished that.

"Commissioner MCGILL. You have that in mind?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner McGILL. Then, under the title 'Item,' you have all of the matters involved in the subdivision headed by figure '1.'

"Mr. BRECKINRIDGE. Yes, sir, that is the one covering all products.

"Commissioner McGILL. You have that in mind?

"Mr. BRECKINRIDGE. Yes, sir.

"Commissioner McGILL. You have all of them in mind when you say that you decline to supply the information except on subpena?

"Mr. BRECKINRIDGE. My statement was that the applicants will not submit it and supply it voluntarily, sir.

"Commissioner McGILL. Unless they are subpenaed, as I understood you?

"Mr. BRECKINRIDGE. Yes, sir; that is correct.

"Commissioner McGILL. Yes, sir.

"Mr. BRECKINRIDGE. I would like at this time, just to be sure that all the applicants are here——

"Chairman BROSSARD. Just a moment. Mr. Martin wanted to raise a question on something about it, I think.

"Mr. MARTIN. Mr. Chairman, since, as I understand it, Mr. Heron has agreed not to read his statement but to put it in the record, I wonder if it would not be satisfactory to make it an exhibit rather than to extend the transcript. Monday's statement ran 28 pages in the transcript. Wouldn't it be just as effective——

"Commissioner McGILL. May we take that up just as soon as—I thought Mr. Breckinridge wanted to take up something about the questions we asked him.

"Mr. BRECKINRIDGE. I would say that it is not satisfactory.

"I wanted to say to you, Senator McGill, if all of the applicants are here, and if any of them disagree with what I just said to the Commission, they should have this opportunity, and the record should show that they were all present, and by not saying anything they agreed with what I have stated.

"Commissioner McGILL. That is the way I assumed, and I invited any or all of them to answer individually if they saw fit.

"Chairman BROSSARD. Are there any of the representatives of the industry here who desire to make a statement contrary to the representations of counsel?

"(No response.)

"Chairman BROSSARD. It is agreed.

"Commissioner McGILL. I did not mean to interrupt Mr. Martin if he had something to say, but I thought Mr. Breckinridge wanted to finish that.

"Chairman BROSSARD. Just one statement. This matter, as I said when we began the hearing on safety pins, is a matter which the Commission had before it in a Commission meeting, and the Commission decided to proceed with the hearing to get all the information it could at this hearing, so we will proceed with the hearing.

"Commissioner McGILL. I think we will do the same as we did in the safety-pin investigation, and I will state that the vote was 3 to 3.

"Chairman BROSSARD. Thank you.

"Commissioner TALBOT. It was 3 to 2 in the safety pin.

"Commissioner McGILL. Not at the Commission meeting, it was not.

"Chairman BROSSARD. It was 3 to 3 in the Commission meeting, and so stated.

"Mr. BRECKINRIDGE. Mr. Chairman, I would like to have my partner, Mr. Heron, respond to the question put by Mr. Martin, counsel for the importers.

"Mr. MARTIN. Mr. Chairman, if the alternative to my suggestion is reading the statement, I withdraw the suggestion.

"Chairman BROSSARD. I think it would be advisable, since everybody heard the statement, if the statement is inserted in the record, if that is agreeable to everybody. Is there any objection to that? It will be inserted in the record, and you will not need to make it.

"Mr. HERON. Thank you, sir.

"(The statement of Mr. Heron appears at the beginning of these extracts from the hearing.)"

Mr. Speaker, as the author of the escape clause as it is now contained in section 6 and section 7 of Public Law 50, I have some idea of what the Congress intended when this major change was made in our trade policy.

As a witness some weeks ago before the Tariff Commission on hearing No. 28, dealing with straight pins, I stated what I considered the intent of the Congress.

John Breckinridge, attorney with the firm of Pope, Ballard & Loos, questioned me, as follows:

"Mr. BRECKINBRIDGE. What in your opinion was the understanding of the House of the words, 'domestic industry', when they debated and adopted the escape clause containing those words?

"Mr. BAILEY. I think if you will peruse my debate on the House floor, you will understand what the primary object was. It was to protect domestic industries, producers of individual articles who were being harassed, injured, harmed by importations, excessive imports of like products coming from abroad."

Mr. Breckinridge reviewed the entire history of the escape clause and other tariff legislation using the words "domestic industry." It seems indisputable that the clause was written primarily to protect individual products which are injured by imports. Otherwise, section 7 of the Trade Agreements Act is made impotent for its intended purpose. If an interpretation is put upon it that the overall situation of the companies, asking relief—including unrelated products—can be taken into account, the result is absurdity. Plainly, then, only information concerning the straight pin industry should be considered by the Tariff Commission in deciding whether that industry is entitled to relief under sections 6 and 7 of the Trade Agreements Act.

I do not see how the Commission can, upon mature and sober consideration, conclude otherwise. To me the action of these three Commissioners reflects a lack of sympathy with the congressional mandate of the escape clause and an unwillingness to carry out the clear intent of Congress to protect the American production of those specific products which were being threatened with injury from imports of a like or competitive product.

I hope that those Commissioners who so injudiciously prejudged the case and announced their decision at the opening of the public hearing, before hearing the facts or arguments of the applicants, will give this important matter further thought and reconsider their position. At least, I hope, in their report on the case, they will give a complete and clear statement of their interpretation of the words "domestic industry." The Commission has never defined these words and the Congress should understand their interpretation. These words constitute the very heart of the escape clause.

Today the Congress finds itself at the crossroads in our trade policies. Should the Congress fail to enact legislation contained in H. R. 9159, which drastically altered the present administrative features of our tariff law, then I would suggest to the Congress that we immediately enact and clarify the language and the intent of Congress when it amended the Reciprocal Trade Agreements Act by adding the escape clause intended to protect America's labor, capital, and management devoted to the production of individual products on which the tariff has been provided by the Congress.

Mr. MILLER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. MILLER of Kansas. I would like to ask the gentleman from West Virginia [Mr. BAILEY], does not the Federal Trade Commission cite any law on which they base the decision to which he referred?

Mr. BAILEY. I will reply to the gentleman from Kansas in this way. They say that they are unable to interpret the intent of the Congress in passing the escape clause; that they have set up certain rules and regulations and printed them, which were controlling, and that they were not complying with the rules and regulations of the Tariff Commission. Those rules and regulations were not established by the Congress but by the Tariff Commission. I say that their action is arbitrary.

Mr. MILLER of Kansas. I thank the gentleman.

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

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

By Mr. KNOWLAND:

Address delivered by Senator BENDER at Youngstown, Ohio, on February 24, 1955, dealing with America's business future.

By Mr. SCHOEPPEL:

Address entitled "Let's Put America First," delivered by Senator JENNER before the Dallas Public Affairs Club and the Committee of One Hundred, at Dallas, Tex., on February 14, 1955.

By Mr. NEUBERGER:

Statements by him and by the Secretary of the Interior on the question of the public power issue and the so-called partnership program of the national administration.

By Mr. PAYNE:

Address delivered by the Secretary of the Treasury on February 16, 1955, at Philadelphia, Pa., relating to the accomplishments of the Eisenhower administration.

THE 14 FUNDAMENTAL FACTS OF THE NUCLEAR AGE

Mr. KNOWLAND. Mr. President, in the October 1954 issue of the Review of Politics, which is published by the University of Notre Dame, Indiana, there was published an article under the heading of "Courage or Perdition?—The 14 Fundamental Facts of the Nuclear Age," written by Ferreus.

Mr. President, from time to time articles which have great significance and great interest appear in various publications. I wish to ask at this time unanimous consent that the article to which I have just alluded may be printed in the body of the RECORD. It deals with vital matters affecting the defense of our country.

I would particularly call the article to the attention of the chairman of the Committee on Foreign Relations, the chairman of the Committee on Armed Services, the chairman of the Joint Committee on Atomic Energy, and the ranking members of those three committees. I think they will find the article challenging, and in due time and at an early date I believe they will want to explore some of the very basic questions raised, which vitally affect the security of the country.

Fundamentally, the article takes up the possibilities of an effective system of inspection relative to atomic energy. That question, of course, is of vital concern to this Government and to the American people, in view of the fact that the Soviet Union to date has rejected all proposals for effectively checking on atomic weapon development.

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

COURAGE OR PERDITION?—THE 14 FUNDAMENTAL FACTS OF THE NUCLEAR AGE

(By Ferreus)

However distasteful it may be, nuclear weapons of the fission and fusion types have come to stay. Henceforth, they will be as much a part of human existence as rain and snow, morality and crime, the telephone and the airplane, pacifism and aggressiveness, freedom and tyranny, stupidity and wisdom. It is unlikely that this new invention can be undone except through the destruction of civilization itself. On the contrary, nucleonics sooner or later will provide the foundation of industrial civilization all over the globe. Given the anticipated increase in consumption or our energy resources, it appears that nuclear fuels, on a large scale, will have to be made available to industry within the life span of the present generation. Otherwise economic decline (and hence political catastrophe) must come about as the result of the gradual depletion of oil and coal deposits, the concurrent price rise of mineral fuels, the lack of a mineral energy basis in many countries, the rapidly rising demand for industrial goods, and the uninterrupted increase of population.

On a less cosmic scale, the continued progress of many individual industries is dependent, at least partially, upon the early utilization of nuclear techniques and materials. For example, the future of surface and possibly air transportation, of irrigation agriculture, and perhaps of the chemical and metallurgical industries, is interrelated with nuclear advances. Both energy needs and technological changes make it inevitable that large nuclear industries, including producers of fissile materials and atomic particles, will arise in presently industrialized countries. It is no less inevitable that such industries will grow in under-developed areas, because nuclear technology offers an unprecedented chance of cutting the time requirements for industrialization. Nucleonics are fast becoming a global necessity. Naturally, in a world where there are numerous installations using nuclear techniques, and where there are also many basic nuclear producers, there must be available manifold abilities to build nuclear weapons. The inevitability of the nucleonic age and the emergency of nuclear industrial potentials is the first fundamental fact which we must grasp firmly.

True, the mere existence of nuclear industries or even of atomic weapons does not by itself pose a security threat. This threat arises only when such weapons are in the hands of the politically immoral and uninhibited, and more particularly, in the hands of governments or political (and criminal) groups willing to employ such weapons for the blackmail or destruction of their opponents. It may be argued that, given governmental encouragement to the present tendency of society to decentralize, and given some efforts to reduce the vulnerability of factories and cities, the relative effectiveness of nuclear weapons could be reduced. It also may be argued that the employment of nuclear weapons could reduce war to a single battle of a few days' duration and that, while casualties in this battle would be very heavy, total casualties would be smaller than those resulting from a hypothetical protracted war fought without nuclear weapons. In comparison with wars of previous centuries, a nuclear war indeed need not be more destructive of human lives than, let us say, the Thirty Years' War (which, admittedly, would be scant solace). However, these arguments may be countered with equally, and perhaps more, cogent objections. In the end, the disputants should agree easily that wars in general, and nuclear wars in particular, are most unpleasant occurrences which all of us must make strong efforts to avoid. Hence the question arises: granting the inevitable existence of nuclear capabilities are there feasible methods for avoiding a nuclear holocaust?

A nuclear monopoly in the hands of an aggressive dictator certainly would have spelled doom for much of mankind. If, by the end of the Second World War, Stalin had possessed such a monopoly in the form of a significant weapons stockpile, he would have been able to establish a Soviet world dominion; in all likelihood, he would have proceeded to do so. Or we may ask ourselves what might have happened if the Nazis had come into possession of an operational stockpile of atomic weapons prior to the Normandy invasion? Had not the United States achieved the first atomic stockpile in history, human society would have suffered the worst catastrophe in its history. Let us be grateful that this disaster was spared us.

If an aggressor were to use nuclear weapons in the future, he would do so in the expectancy of retaliation in kind. We probably are entitled to make some rationalistic assumption with respect to human nature, including the psychology of aggressors. If we assume then, that aggressors aim at the fruits of war but dare shoulder only the minimum of sacrifice, we should expect that in the face of a deadly retaliatory threat, aggressors might abstain from the employment of nuclear weapons. Yet this expectation cannot be firm because the aggressor may be able to neutralize, by military or political means, the capability or willingness of his opponents to retaliate; and secondly, because he may be a madman (in the clinical sense), and hence not be rationally mindful of the consequences of his acts—in fact, depopulation and the creation of ruin and chaos may be his primary objectives. Hence the concept that atomic attack is preventable through the threat of retaliation, while probably valid in general, cannot be relied upon in all and any circumstances.

There is a school of thought which denies that security against atomic destruction can be obtained at all through retaliatory threat. The fear is that retaliation would compound the evil. In different variants and mixtures, it is proposed that the supervised destruction of existing stockpiles and the establishment of an international control apparatus be undertaken in order to prevent the future production of nuclear weapons. Perpetual international control is the heart of this concept; its purpose is to make nuclear war impossible through nuclear disarmament. There have been numerous schemes setting forth infallible and effective control arrangements. Many supplementary and occasionally ingenious ideas have been proposed to provide for the closing of the loopholes which, invariably, appeared after a particular scheme had been analyzed closely.

The drawing of utopias has been the favorite pastime of our nuclear Morus, Campenellas, and Bellamies. It is amazing that such cerebrations have arrested the attention of political scientists and even of practicing statesmen (if we assume their attention was genuine). No less startling is the fact that discussions about such schemes usually ignore the practical difficulties which would arise even in the unlikely event of an international agreement undertaken in truly good faith.

Let us look at three of these practical difficulties.

1. Effective atomic control probably would entail the direct watching of no less than 100,000 industrial firms and factories the world over; hence at least 300,000 technically qualified inspectors would have to be assigned to the control of existing facilities. In reality, this world-wide requirement would be considerably larger and in addition to supervising industrial enterprises it would be necessary to control many other economic activities, such as mining, trading, laboratory research, etc. I doubt that there are in the world enough technically—and linguistically—qualified persons to undertake such a task. (In the United States only 7,400 persons received master of arts and doctor of philosophy degrees in engineering and physical sciences during 1952.)

No elaborate statistics are necessary to show that commitment of such a corps of inspectors would swallow a large percentage of the world's scientists and technicians. While on control assignments, these men would be taken away from their primary professions. One can but picture the effect on future scientific progress. Yet if volunteers were not forthcoming in adequate numbers, personnel would have to be drafted, and this not just for a short emergency. The loyalty and the reliability of drafted inspectors probably would not rate very high. Since, actually, the world's entire technical economy must be supervised, literally every qualified citizen would have to become a part-time policeman. Even in this improbable case a modern state would possess enough resources and wits to outwit the honest inspectors, bribe the dishonest ones, blind the attention of the disaffected, and enlist the willing or forced cooperation of the ideologists and political careerists.

2. To avoid secret preparations in out-of-the-way places and uninhabited areas, approximately 30 million square miles would have to be supervised, with at least half of this area requiring frequent and close looks. This type of massive supervision can be done only through aerial reconnaissance. Assuming a range of aircraft of 1,000 miles and a photographic coverage per sortie of a 2-mile strip, 15,000 aircraft sorties would be necessary for a single supervision or if a weekly check is desired, as it must, about 780,000 sorties per year. This estimate neglects additional sorties necessitated by bad weather and the need to survey sea areas, and it does not take into account the responsibility of following up suspected violations with detailed checks and precision photography obtainable only through large numbers of low-level flights (and conceivably through airborne landings). With maintenance, repair, and loss, approximately 8,450 aircraft and about 2 million men as well as very substantial photographic facilities would be required to do just the basic job. With all that investment and flying, it still would be possible—easily possible—to fool the air patrol: many infractions would be feasible in tunnels, underground installations, and even in innocent-looking city houses. Needless to say, such a global air patrol would deprive all states of their military security in nonnuclear weapons. Hence the patrol can be instituted only after states no longer are required to have military and industrial secrets. If so, would the air patrol not be superfluous?

Future technology, however, may modify the above requirements for control flights. With better aircraft, enlarged airbase systems, and broader photographic coverage, the job may be done with fewer sorties. Substantial increases in commercial flying gradually may restrict the area which needs to be controlled. Still, the cost of the inspectors corps and the air patrol may be estimated at approximately $18 to $20 billion yearly as compared to the current budget of the United Nations of less than $50 million.

Unquestionably, the United States would have to pay the lion's share of this budget. More significant perhaps, only the United States, the Soviet Union, and the United Kingdom would be able to make available adequate air facilities and personnel for the purpose. The air patrol would be an almost exclusive responsibility of the super powers. Let us be content with the remark that such a state of affairs would present very great political hazards.

3. Nuclear weapons already are in existence. Before an agreement conceivably can be negotiated, there will be large weapons stockpiles in many countries. How on earth can it be assured that all these weapons would be destroyed and the sizeable numbers of "insurance weapons" would not be hidden? Yet if no reliable and practical method can be designed against this mortal danger of concealment, then the time for the establishment of dependable controls did pass years ago. While it may be a useful propaganda device to talk about control schemes (which I rather doubt since the spreading of illusions usually backfires), nuclear international control never again can be a safe security measure. International control would be possible only as a sham and, if adopted, would constitute an extreme and unacceptable security hazard. This is the second fundamental fact which we must understand.

For that matter, the point is entirely academic. So long as the Soviet government retains its present structure and political intent, and wants to remain safely in power as a dictatorship, it cannot, and will not, accept an international control agreement. This is so because it cannot allow thousands of foreign inspectors to investigate Russian industry and possibly ferret out major Soviet secrets. International control, moreover, would mean the end of the iron curtain and hence signify the end of this most essential prop of Soviet political survival.

Our concern must center on the threat of an atomic war within the next ten to twenty years. It is unlikely (though, naturally, not impossible) that during this period the Soviet government will have changed enough to make it any more amenable to mutual supervision. Hence even the best conceived control scheme will not help us with our problem of avoiding nuclear warfare in the immediate future. It may be granted, however, that should the Soviet government change substantially within this crucial period, a new look at the problem could become useful. For the time being, discussions of safe nuclear disarmament schemes are, at best, useless or naive and, at worst, hypocritical or subversive. Soviet talk about control is designed to disarm the United States, and enhance the nuclear posture of world communism. This is the third fact which we must always keep in mind.

It also has been proposed to forego involved control schemes. Instead, a simple international agreement should be concluded, for example, in the form of a mutual promise never to use nuclear weapons. Proposals of this type are based on the assumption that it is, objectively, to the best interests of all to avoid nuclear war. Hence such a promise—it is alleged—would be undertaken in good faith by all states, at the risk of atomic perdition. To assume good faith in vital security matters is in flagrant contradiction to overwhelming historical evidence; as of the date of this writing, it cannot be shown plausibly that the advent of the new technology has invalidated the significance of historical precedent. To postulate that it would be against the interests of a potential aggressor not to use nuclear weapons, especially if other nations would have lived up to their word and would be unprepared for nuclear warfare, is hazardous to the point of advocating political suicide. The lack of proper nuclear capabilities in peaceful states would provide the aggressor with unparalleled opportunities for attack and with an historically unprecedented chance of all-inclusive victory. The atomic bomb is an attractive weapon for the bolshevik. It places him within arms' length of fulfilling what was before an unattainable pipedream: The destruction of the United States and the accomplishment of world revolution, regardless of Russia's survival or demise. The nuclear bomb inevitably will become the aggressor's weapon par exellence. While the historical Alexanders, Napoleons, and Hitlers were pitiable illusionists, the atomically armed future aggressor may be the greatest military realist of all times, and hence end up as the first true world conqueror in history. This possibility is the fourth fact of the nuclear era.

Agreements of any kind, and surely those dealing with key security matters, presuppose mutual trust. International agreements are, or should be, similar to those found in private life—they must not be entered into unless they are based on a calculable minimum of confidence. No sane businessman ever deals with a person whose credit rating is bad and who has a record of defaulting on his debts. If a promissory international nuclear agreement were concluded in the present situation, it would produce the strongest sense of insecurity and fear. For this reason alone, it probably would become inoperable and conceivably lead to war.

No nation in its right mind would risk its security through destroying its atomic stockpile in reliance upon a mere diplomatic agreement. With large nuclear industries in existence, such a paper agreement could be broken easily and rapidly. Let us not forget that governments change and that few governments consider themselves bound by the promises of their predecessors. To have any security at all therefore, nations would have to retain readily usable nuclear weapons in their arsenals. There is no other insurance against breach of promise. But, then, we would be back at the point where we started, namely, at the existence of nuclear armaments. Naturally, it would be possible to conclude agreements limiting the number of nuclear weapons in the possession of each nation. Yet such agreements cannot be enforced in such a manner that violations would be made impossible; and presumably it would prove difficult to include in such agreements limitations on the number of defensive nuclear weapons.

No doubt, governments could pledge themselves not to use their nuclear weapons aggressively or offensively, and yet reserve the right to produce and maintain such weapons. It is conceivable that such an agreement would be kept. All that is necessary to make the agreement stick is to produce a military situation in which the employment of nuclear weapons would be equally harmful to both sides, and in any event, extremely harmful to the first user. If there were such a situation—which cannot be defined properly or predicted, and which hardly would be of a stable and lasting nature—the agreement would be superfluous: the belligerents anyway would act according to their best interests. By contrast, if there were a military situation in which it would be advantageous for one belligerent to initiate the employment of nuclear weapons, even at the price of retaliation, then in all likelihood the agreement would be disregarded. The chances are that, within the next 10 to 20 years, this latter rather than the former situation will prevail.

I will refrain from judging whether, at present, it would be advantageous for the United States to commit itself to the nonuse of nuclear weapons. The fact is that the United States Government has not made such a commitment (as little as it ever committed itself to forego the use of toxic gases). The effective abolition of nuclear weapons undoubtedly would reduce the dangers of a surprise attack against North America and also protect American cities. But this advantage would have to be paid for dearly and cannot be obtained without heavy risk.

The proscription of nuclear weapons would be meaningful only if the Armed Forces in their entirety were reorganized to wage nonnuclear war. In order to protect its security in the absence of nuclear weapons, the United States would have to acquire an entirely different military establishment. Any surface strategy replacing present air strategy would suffer from fatal geographical handicaps or, to phrase it differently, to compensate for Russia's advantages in a surface war, an extraordinary military effort of the United States would be necessary. For example, to balance Soviet ground strength, in such a manner that further Russian advances in Eurasia would not be invited, American land forces would have to be tripled and supporting air and naval forces be enlarged substantially; possibly the Strategic Air Command (nonnuclear) also would have to be doubled or tripled. The adoption of a nonnuclear air strategy would require even greater efforts. The maintenance of so considerably larger forces must demand a military budget on the order of $100 billion or more, and could not be done without compulsory military service, perhaps of 2 to 3 years' duration. Despite such an exertion, the security of key areas in Europe and Asia could not be guaranteed.

I do not know whether the United States can afford such a military outlay. I do know that long-lasting armaments of such a size would transform American society, and I doubt seriously that the United States soon would be inclined to arm on a $100 billion scale during peacetime. If this doubt were justified, then the abandonment of nuclear weapons could spell only the defeat, and ultimately the Communist domination, of the United States. And yet, despite our nuclear forbearance, we could not be sure that the United States would be spared atomic attacks. Certainly, in the closing phases of war in which the U. S. S. R. achieved air mastery, the Soviets would not refrain from using atomic weapons against American targets if the American Nation otherwise would fail to surrender; or the Soviets might use those bombs to further their objective of liquidating hostile classes. For that matter, a parallel argument can be made for the Soviet nation: Without nuclear weapons, the Soviets never can hope to defeat the United States. Hence, they will accept proscribing atomic weapons only after they have abandoned first their objective of world revolution.

Nuclear weapons are the key of modern military power, and hence the irreplaceable key to American security. This is the fifth fundamental fact of the nuclear problem. We are all free to deplore the situation but we are unable to change it unless we are willing to concede victory to the Communists and to surrender without resistance as, indeed, has been proposed.

Such counsels of despair—if made in good faith—result from an improper analysis of the problem. Many of those who have been participating in the nuclear argument find it difficult to understand that, within the present world situation, the avoidance of nuclear catastrophe is a military and political task. The nuclear problem is not susceptible to solutions by legal agreement, nor by any other trick aiming at the evanescence of nuclear weapons. This is the sixth fact with which we must come to grips. It is true there is no guaranty, even if suitable military and political techniqucs were used skillfully, that there will be no nuclear devastation. Nor is there any guaranty that these techniques, in fact, will be used with dexterity and imagination. Since, however, there is no practical alternative solution, we

must concentrate on the techniques which are available. If those who lose their time in chasing utopian butterflies could but devote some of their brainpower to the real problems before us, we might make some progress after all.

The military task, briefly, consists in maintaining armaments in such quantities and of such quality that the opponent of the United States will find it impossible to solve his military problem through the employment of nuclear weapons. More particularly, he must be prevented from knocking out the American retaliatory forces through surprise blows and delivering a substantial portion of his atomic stockpile on American targets. He also must be prevented from posing, as he does now, a unilateral nuclear threat to European and Asiatic countries. Once the various free nations have acquired quantities of nuclear explosives, the military problem becomes essentially a matter of delivery vehicles and defense systems, viz., of overall technological superiority, as well as of constant readiness and a gradual reduction of the vulnerability of cities and people.

This military problem is of major dimensions and it will continue to grow. I need add only that the American people and the peoples of other free nations have not yet understood fully the scope of their military responsibilities. I do not believe that in order to solve its military security problems, the United States will have to be turned into an "armed camp" (a cliché which many abuse to argue against proper preparedness), but the United States no longer can afford to have military budgets which fall far short of satisfying minimum requirements. Present American and allied armaments and technological programs have many gaps which any military expert can identify without difficulty. Insufficient forces in being and inadequate quantities of modern weapons, as well as poor command, alliance and decision-making structures which are not responsive to the requirements of rapid modern war, constitute an invitation to nuclear death, especially so since in a modern war the first battle may decide the outcome of the entire conflict. This is the seventh fact which we never should allow to be forgotten.

And we may immediately add the eighth fact that future wars hardly will be fought with weapons ordered and produced after the start of hostilities. Military and industrial mobilization after D-day is a concept which is not applicable to nuclear air war. Hence, war potentials have lost much of their significance, while forces in being and weapons stockpiles have become of crucial importance. This means that one of the main military assets of the United States, i. e., industrial superiority, no longer possesses its traditional significance. Current American military policies do not yet respond to this fundamental strategical change.

Politically, several different tasks have to be performed. There must be an effort to make all free nations understand that the dangers of atomic war cannot be obviated by paper promises, but only by painful security actions. There is further the task of inducing the free nations, including the United States, to acquire the ready military strengths they need. Third, there is the problem of convincing our allies and ourselves that we must sacrifice for our security and possibly accept economic hardship, in order to procure those weapon systems which are needed in a modern war rather than those which were needed half a generation ago. Phony security is the excessive hazard in the present phase of the nuclear age. This ninth fact of the period often has been willfully and perilously overlooked.

Such persuasions probably will not be feasible if they be done by words and dollars alone. Much more is needed. Let us mention the need, in many European countries, for a new concept of economy to bring about the transformation of old societies from paralytic structures, or at best slowly going concerns, into fast growing, open societies, in which discouragement and disaffection will give way to positive attitudes. It is at this point that nuclear technology, in its industrial applications, should be able to do wonders, not only because it will provide energy to areas where there are at present inadequate resources, but also because the establishment of new major industries must produce an economic upswing. The buildup of the nuclear and electrical industries could bring about a socioeconomic mutation which would result in a vast improvement of living standards and an easing, relatively speaking, of the armaments burden. An economic rebirth on a new technological basis would demonstrate that the disintegration of the old society has been halted and that progress again has become possible. Our 10th fundamental fact is that the industrial application of nuclear energy offers an excellent chance for the social strengthening of the free world. Lest the impression arise that no basic reforms are required in the United States, be it pointed out that there is an urgent need in this country to stimulate technological inventiveness and imagination and to bring about a more rapid exploitation of new inventions. To satisfy this need, undoubtedly, additional research funds may be required, but more important still would be the streamlining of overly long and constructed bureaucratic channels. American technological and industrial time lags are too long. This is the 11th fact to which we must pay attention.

The political task, of course, should include efforts to persuade Soviet leadership that it is unwise for them to pursue their goal of world domination after, and in spite of, the onset of the necleonic age: Unwise because nuclear technology has all but destroyed the last vestige of the Marxian argument that due to the scarcity of resources, the abolition of private ownership is the prerequisite for material well-being of all members of society; and unwise, further, because the continued pursuit of the revolutionary goal, in disregard of the dangers of nuclear war and of the unpopularity of the Soviet Government at home, may spell the doom of the Communist regime, regardless of what would happen to the free world.

Western statesmen should not tire in explaining and emphasizing those two points. If, ultimately, the Soviet Government were to accept those two propositions, a new era would have begun and unless a new aggressor were to arise, the danger of nuclear ruin ipso facto would have ended. Unfortunately, it is most probable that the Soviet Government, at least in its present composition, will not accept the truth of those propositions and, partly for reasons of intellectual blindness, partly because of its inability to abandon its ideology which it needs to legitimize its rule, and partly because of the inertia of its power machine, will continue its relentless and hazardous drive toward world domination. Hence, the threat of atomic devastation is posed anew.

In the absence of adequate powers of persuasion, the threat of nuclear aggression against the free world can be eliminated only if the Soviet Government is changed or replaced. An alternate, though less conclusive solution, would involve a substantial retraction of the Soviet power orbit. Shall we consider the need to weaken, modify, or replace the Soviet Government to be the 12th basic fact of the nuclear age?

An effective liberation policy appears as one of the few alternatives to continued life in the shadow of nuclear death, with its expensive and growing demands for constant military readiness. It is true that a policy of liberation in and by itself poses the threat of atomic conflict, the important difference being, however, that an initiative policy by the free world would make it impossible for the aggressor to rig the game entirely in his favor and to create situations which would be most favorable to his plans of attack. If the would-be aggressor were kept off balance and forced to busy himself with his own defenses rather than with offensive plans, the threat of atomic devastation might be diminished.

In the nuclear age, political and military initiative is an indispensible prerequisite of security, while loss of initiative poses insoluble problems. The term "initiative" is not used here as a circumlocution for preventive war. Hundreds of initiatives are possible without resort to military conflict. As an example of a successful American initiative, we may recall the decision to acquire the hydrogen bomb before the Soviet Union. However, the time may come when a dispassionate survey of the security problems of the free world would indicate that these problems cannot be solved except through the deliberate resort to force. We should hope that such a moment never will come. But we must remember that in order to secure our safety without an offensive strategy, our military posture would have to be strengthened considerably and that, conversely, if no such strengthening occurs, the fateful decision may become inevitable. It is easy to pronounce cliché opinions about this grave problem and to take pleasure in pointing out that preventive war is logical nonsense: War cannot be fought to prevent war. True; but war can, and occasionally must be fought to prevent disaster and perdition. Only one thing is worse than nuclear war: Defeat in such a war. And this is the 13th fact to which I wish to call attention.

Article I, section 10, paragraph 3 of the Constitution of the United States anticipated the need of initiative and offensive security actions in case of "imminent danger as will not admit of delay;" if such dangers occur, the States may "engage in war * * * without the consent of Congress." So long as the United States clings to the concept that under no possible circumstance will it initiate war, not even while the opponent is preparing to strike, so long the initiative will remain in Soviet hands. In the seven generations of its existence, the United States has waged quite a number of wars and in every one of them—this possibly includes World War II—the United States faced up to the ineluctable decision and initiated hostilities on its own volition. There is absolutely no factual basis for the contention that democracy abhors war. The very nature of democracy demands that it accept its responsibilities and that, while it should not seek war lightly and do everything to avoid conflict, it must fight if and when there is no other choice but the destruction of the democratic system. Has it not become apparent now that the world would be a better place—and that many millions of innocent human beings still would be alive—if Hitler had been stopped between 1933 and 1936? The concept for peace à outrance has proved to be unmanageable, excessively costly and utterly destructive.

No doubt, in the nuclear era, a war decision is of far graver import than a similar decision before 1945. Personally, I never would favor a war decision unless there is a clear, urgent, and immediate need to anticipate and forestall attack with no other solution being available, and unless there is no other way to avoid a clearly inevitable war at a later date and under significantly more unfavorable circumstances.

However, looking back at my own reactions of 20 years ago, I remember arguing, too, that war should be waged against Hitler only under conditions of extreme necessity. But was that policy so wise? Was it not based on the invalid assumption that the Nazi regime was unstable? Did this policy not provide Hitler with many trumps and allow him to outarm his opponents? Maybe the ideals of pacifism are so lofty that the price which we had to pay—and which in the end possibly will have

included a future world war III—was not too high. But again, was it such a good idea to refuse paying the relatively small price required to hold China during 1947 and 1949, seize North Korea in 1950, and liquidate Communist China after it actually had attacked United States forces? Far from embracing preventive war, the United States adopted a strategy of not fighting back and of deliberately averting its own victory. What did this new departure in militant peacefulness save for us in Southeast Asia? What will it have saved for us after Communist China and Russia will have developed modern industries and combined their military resources? Clearly, do we not have a policy of avoiding the smaller and easier wars to make the big and costly wars ever more inevitable? In any event, in proclaiming good intentions of peacefulness with respect to future wars we are forced to look hard at the 14th fact of the atomic age which, perhaps, is the most ominous of all: That in an atomic conflict the force which plans to strike second never may be in a position to strike at all.

In the discharge of its security duties toward itself, its allies, and toward the free world, the United States must seize the political initiative. Yet, this initiative cannot be seized so long as the opponent knows that the United States does not mean it seriously and will shrink away from the ultimate consequence. The United States also may have to seize the military initiative, but nothing effective can be done in either field so long as the opponent is allowed to count upon his double ability to determine the timing of the war and to strike the first blow. No sustained and successful American initiative is possible while the by far most important decision is left in Soviet hands.

Without vigorous initiative, there can be no liberation, nor can the Soviets be dissuaded from their clearly avowed aggressive intentions. Yet, unless this Soviet objective of world domination is eliminated, there is no real chance of avoiding war; and, naturally, unless the basic military initiatives are in free world hands, there will be no protection against devastation, loss of life and defeat, nor preservation of free institutions and democracy. We may get away with a policy of the least effort, but only if our opponent is thoroughly frightened by what we can do to him after we received his first blows. It is in the nature of atomic war that he has no overwhelming reason to be excessively frightened.

To sum it all up: We have a policy of avoiding war, but we have achieved only this—the danger of war is becoming ever more unmanageable. To keep the military situation under control and to preserve our democratic institutions, we shall have to make a stand at some time. On the basis of the record of the years 1933 to 1954, we can say confidently that the sooner and the firmer the United States will make this stand, the easier the task will be and the greater the chance of forestalling atomic warfare.

The world is full of unprecedented dangers. We may argue about the means by which the dangers could be overcome, if such means were utilized. But we should realize that, in all probability, the dangers will persist. It is easy to predict the doom of our civilization and quite unrewarding to propose concrete—and costly and unpopular—military and political measures aiming to insure the survival of that civilization. I cannot help feeling, however, that this civilization is a spiritual force and, therefore, not susceptible to physical destruction. In any event, it cannot survive if the people who live under its blessings display a deplorable weakness of conviction and lack the ethos of courage. Nor can this civilization survive if its intellectual elites, fearful of risk, effort, and self-assertion, advise collective political suicide. This is a statement which can be supported with historical evidence and which I intend to be an objective proposition. I realize that the advocacy of suicide is not always intentional and that praiseworthy desires often are the midwives of deadly proposals.

I would like to add, and say it clearly, that I have nothing but contempt for those who are willing to surrender to communism in order to avoid nuclear war and thus to assure the physical survival and the enslavement of the maximum number. If such a spirit were typical of the free society, our civilization would be dead now. I do not believe that doom is near, let alone that it has come. But I am worried that the voices of cowardice are heard far more often than the voices of determination. I, too, want my family and my friends to survive and I do want to live to the end of my natural days. Everyone has the instinctive animal fear of death. But it hardly pays to survive for the blessings of a slave existence and it will be intolerable to purchase survival through the betrayal of value and conscience. Policies cannot be based just on the instinct of self-preservation. Do intellectuals and politicians have a lesser moral obligation than the simple private of whom they expect that he sacrifice himself when ordered into battle? Our entire society has been pushed into mortal conflict. In some way, most of us are now manning a battle station. Must we not be true to our duties?

The issue of the present world conflict is whether communism will be victorious or be destroyed. The hydrogen bomb has not changed this issue, not by one iota. If the desire for freedom were a variable dependent on the expected rate of casualties, we should not even attempt to fight. If, however, national and individual freedom is our highest political value, then we should do our best to keep casualties to a minimum—even in the country of our opponent—but we should not be deterred by the cost of the conflict; the cost of defeat and of loss of principle would be still higher.

We are living today twice as long as the generations who conquered freedom for us and established the foundations of good government. Our task is to preserve and improve freedom for ourselves and for our descendants, and to bring freedom to those who still are enslaved. The way to solve a serious problem is not to distort or ignore it, but to handle it; to take all precautions which prudence imposes, to accept the irreducible risks, to bear the required responsibilities and to follow the dictates of one's conscience. To cringe before the enemy, to bewail fate even before it is known, to become paralyzed from fear and pessimism, and to abandon oneself to the visions of apocalyptic horror is despicable. It is moral self-destruction to which atomic devastation would add little but physical confirmation and merited punishment.

THIRTY-SEVENTH ANNIVERSARY OF ESTONIAN INDEPENDENCE

Mr. IVES. Mr. President, yesterday, February 24, marked the 37th anniversary of Estonian Independence Day. In joining my fellow Americans of Estonian descent in commemoration of this noteworthy event, I fervently hope that the reestablishment of a free Estonia is near. The forcible annexation of Estonia and her Baltic neighbors is a tragic reminder of the totalitarian imperialism of the Soviets. Although freedom in Estonia has fallen victim to the treacherous Communist tyranny, the gallant Estonian people remain firm in resisting their oppressors. Let us, on this anniversary, reaffirm our determination never to recognize the Soviet annexation of the Baltic nations, and express our fervent hope and prayer for their speedy liberation.

IMPORT DUTIES ON JAPANESE CRABMEAT

Mr. BUTLER. Mr. President, at the present time in Geneva, Switzerland, the United States is taking part in tariff concession negotiations with the Japanese.

Among the items subject to tariff concessions in favor of the Japanese is crabmeat. The announcement last fall that our country would consider tariff reductions on imported Japanese crabmeat was met with grave concern by members of this young American industry. The crabmeat industry finds even present import duties on Japanese crabmeat inadequate to assure fair competition with the crabmeat industry of Japan on the American market.

The Chesapeake Bay and its tributaries as bounded by my State of Maryland and the Commonwealth of Virginia to the south, constitutes the largest crabmeat producing area in our Nation, although substantial segments of this industry are also found along the Atlantic and Pacific coasts and the Gulf of Mexico. If provided with reasonable protection from unfair competition of foreign nations where, as an example, workmen receive but a fraction of what they are paid in America, this young American industry will grow and continue to furnish employment opportunities for thousands of our countrymen and make it possible for all Americans to enjoy this fine seafood at fair and reasonable prices.

There are many factors which ably demonstrate why tariff concessions on Japanese crabmeat should not be made. The President, under existing statutes, has the final discretion in determining whether such concessions shall be granted.

In order that these factors may be appropriately illuminated, I have been joined by a number of my colleagues in the Senate and also by a number of Members of the House of Representatives in presenting a petition to President Eisenhower, setting forth the basic reasons why present import duties on Japanese crabmeat should not be reduced at this time. In keeping with this goal, I ask unanimous consent that this petition, together with the names of the Members of the Senate and the Members of the House of Representatives who joined me in signing the petition be printed in the body of the RECORD.

There being no objection, the petition, together with the list of signers, was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
February 9, 1955.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: We, the undersigned Members of Congress, acting on information we have received from the American Crab Packers Association which was presented in detail at hearings of the United States Tariff Commission and the Committee for Reciprocity Information last December, and

without being influenced by our views on the tariff policy of the administration as set forth in H. R. 1, do hereby petition you to instruct the proper authorities not to reduce the present tariffs on imported crabmeat from Japan or other countries at the forthcoming conference of the General Agreement on Tariffs and Trade to be held at Geneva, Switzerland. Our reasons in making this request are as follows:

1. The present tariffs of 15 percent ad valorem on fresh and frozen crabmeat and 22½ percent ad valorem on canned crabmeat, have apparently not obstructed or restricted the importations of such supplies as Japan, the principal producer, has had available for export to this country, since imports of crabmeat from Japan have increased from 480,000 pounds in 1948 to 3,800,000 pounds in 1953, a gain of 700 percent. In 1953 we imported 95 percent of the crabmeat that Japan exported.

2. Japanese crabmeat is now underselling the domestic in the United States market. The prices of the imported item are in keeping with the prices of other items of its class such as lobster and shrimp.

3. No sales effort or advertising is being used to promote the sales of imported crabmeat. If this were done it is quite evident that the market would absorb a much larger volume at present price levels. But big supplies suddenly dumped into the market would sell only at sacrifice prices.

4. It has been pointed out that, by the Potsdam Treaty, Russia took over 80 percent of Japan's crabbing grounds at the end of the last war. Our Government excluded Russian crab imports in 1951 because it was produced by slave labor. But Russia has tried repeatedly to enter the United States market with crabmeat via England and other free countries.

5. Japan, to increase her crab production to an extent that would materially help her economically, must secure the supply she lost to Russia. Fishing concessions to Japan, involving a return of these crabbing grounds, is the ace which Russia holds in the trade negotiations that are now being proposed between these two countries. For such agreements reached, Japan will likely pay heavily and Russia will benefit.

6. It was reported in a reliable London publication early last December and not contradicted since by the British Government, that five crab and salmon fleets supplied by the British Government, flying the British flag and under the protection of their Navy but manned by Japanese workers will fish the Siberian coastal waters in 1955. These reports as well as possible Russian and Japanese commercial agreements being discussed, lead one to suspect that the great crabbing grounds now in Russian hands will eventually be fished by Japan. In such a deal, the Russians are bound to be benefited while the American industry will suffer irreparable damage if the tariffs are lowered.

7. The American crab industry is not small. It employs 34,000 persons in 1,500 plants located in coastal towns of 17 States and Alaska. We do not think it should be considered expendable, certainly not under such circumstances.

8. The American crab industry is not mechanized. In fact it is more of a handicraft industry than is that of Japan because the crabs picked by Americans are so much smaller than those picked by Japanese. The American labor wage is more per hour than the Japanese pay for a day's work of unlimited hours. The Japanese pay 65 cents for picking a sufficient amount of meat to fill a case consisting of 48 tins, 6½ ounces each. For the same work, the American industry pays as high as $3.02. It is evident that the American industry cannot survive if the present tariffs are lowered.

9. The effect of imports of cheaply produced foreign fishery products has long been of concern to the Commitee on Merchant Marine and Fisheries of the House of Representatives, and to various Members of the Senate. During the 81st Congress the House approved a resolution expressing concern over the matter and calling it to the attention of the State Department.

10. We understand the objectives of the overall tariff policy of the administration but we feel justified in calling to your personal attention such cases as this one, where a lowering of the tariff apparently will not help Japan materially but may benefit Russia and surely will do great damage and cause unemployment needlessly in an industry that is important to our State and our Nation.

We, therefore, petition you not to lower the tariff but to give the matter more time to adjust itself, in the manner it seems to be doing now, without undue hardship to either country.

Sincerely,

JOHN M. BUTLER, United States Senator, Maryland; HARRY F. BYRD, United States Senator, Virginia; FREDERICK G. PAYNE, United States Senator, Maine; WARREN G. MAGNUSON, United States Senator, Washington; STROM THURMOND, United States Senator, South Carolina; W. KERR SCOTT, United States Senator, North Carolina; J. GLENN BEALL, United States Senator, Maryland; OLIN D. JOHNSTON, United States Senator, South Carolina; SAM J. ERVIN, JR., United States Senator, North Carolina; ALLEN J. ELLENDER, United States Senator, Louisiana; MARGARET CHASE SMITH, United States Senator, Maine; RUSSELL B. LONG, United States Senator, Louisiana; THOR C. TOLLEFSON, Representative, Washington; RUSSELL V. MACK, Representative, Washington; JACK WESTLAND, Representative, Washington; WALT HORAN, Representative, Washington; HUBERT B. SCUDDER, Representative, California; J. ARTHUR YOUNGER, Representative, California; JAMES B. UTT, Representative, California; CHARLES M. TEAGUE, Representative, California; CRAIG HOSMER, Representative, California; JOE HOLT, Representative, California; CARL HINSHAW, Representative, California; JOHN PHILLIPS, Representative, California; BOB WILSON, Representative, California; JOHN F. SHELLEY, Representative, California; GEORGE P. MILLER, Representative, California; JOHN E. MOSS, Jr., Representative, California; LEROY JOHNSON, Representative, California; GLENARD P. LIPSCOMB, Representative, California; B. F. SISK, Representative, California; JOHN F. BALDWIN, Representative, California; E. W. HIESTAND, Representative, California; JOHN J. ALLEN, Jr., Representative, California; CHET HOLIFIELD, Representative, California; GORDON L. MCDONOUGH, Representative, California; CHARLES S. GUBSER, Representative, California; CLYDE DOYLE, Representative, California; HARRY R. SHEPPARD, Representative, California; JAMES ROOSEVELT, Representative, California; PAT HILLINGS, Representative, California; CLAIR ENGLE, Representative, California; CECIL R. KING, Representative, California; WALTER NORBLAD, Representative, Oregon; SAM COON, Representative, Oregon; W. J. BRYAN DORN, Representative, South Carolina; JAMES A. HALEY, Representative, Florida; EDWARD J. ROBESON, Jr., Representative, Virginia; HENDERSON LANHAM, Representative, Georgia; HERBERT C. BONNER, Representative, North Carolina; WILLIAM M. COLMER, Representative, Mississippi; JOHN L. MCMILLAN, Representative, South Carolina; CHARLES E. BENNETT, Representative, Florida; JOHN J. RILEY, Representative, South Carolina; GRAHAM A. BARDEN, Representative, North Carolina; L. MENDEL RIVERS, Representative, South Carolina; PRINCE H. PRESTON, Representative, Georgia; HOWARD W. SMITH, Representative, Virginia; THOMAS G. ABERNETHY, Representative, Mississippi; E. E. WILLIS, Representative, Louisiana; BOB SIKES, Representative, Florida; ARTHUR WINSTEAD, Representative, Mississippi; ALBERT RAINS, Representative, Alabama; T. A. THOMPSON, Representative, Louisiana; JAMIE L. WHITTEN, Representative, Louisiana; HALE BOGGS, Representative, Louisiana; JAMES H. MORRISON, Representative, Louisiana; F. EDWARD HÉBERT, Representative, Louisiana; GEORGE S. LONG, Representative, Louisiana; D. R. (BILLY) MATTHEWS, Representative, Florida; PHIL M. LANDRUM, Representative, Georgia; L. H. FOUNTAIN, Representative, North Carolina; GEORGE H. FALLON, Representative, Maryland; EDWARD A. GARMATZ, Representative, Maryland; EDWARD T. MILLER, Representative, Maryland; J. P. S. DEVEREAUX, Representative, Maryland; SAMUEL N. FRIEDEL, Representative, Maryland; DEWITT S. HYDE, Representative, Maryland, RICHARD E. LANGFORD, Representative, Maryland; OTTO E. PASSMAN, Representative, Louisiana.

THE CONDITION OF FARM WORKERS IN 1954

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, to be associated with the remarks I shall now make, a report to the board of directors of National Sharecroppers Fund, Inc., by Fay Bennett, executive secretary.

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

THE CONDITION OF FARM WORKERS IN 1954

(Report to the board of directors of National Sharecroppers Fund, by Fay Bennett, executive secretary)

Significant beginnings were made in 1954 in the recognition by the Federal Government of a responsibility toward the farm worker, both resident and migrant.

LEGISLATION—NATIONAL

The most encouraging development was the inclusion for the first time of a large percentage of farm workers under the old-age and survivors' insurance provisions of the Social Security Act. All farm workers earning as much as $100 a year from a single employer are now included. This covers virtually all resident farm wageworkers and a large number of the migrants as well.

Farm workers still lack the protection given industrial workers through minimum wage and maximum hour legislation, unemployment insurance, and Federal guaranties of their right to organize and bargain collectively.

Migrant workers achieved specific legislative recognition with the appropriation for the establishment of the Interdepartmental Committee on Migratory Labor (within the Bureau of Labor Standards of the Department of Labor) to co-ordinate the various Federal departmental activities in this field. Unfortunately, the President's meagre budgetary request for this important work was halved to $50,000. It is hoped that this new Federal committee, despite its small budget, will make an effective start toward stimulating and strengthening the activities of the several agencies now dealing with some aspect of the domestic migrant problem. Such

a start will point up the need for larger appropriations.

Still unprovided for is a needed Federal commission on imported migrant workers. Some aspects of this problem will be dealt with in the discussion of Mexican workers.

LEGISLATION—STATE

A few scattered States were notable for active governmental concern with—and some remedial legislation for—the migrant problem. Some highlights:

New York: The prior-established joint legislative committee on migrant labor made intensive studies of living conditions in migrant camps, goaded by newspaper revelations of horrible conditions and spurred by pressure from private organizations. Legislative authorization resulted in the adoption at year's end, January 1955, of a new code of health and sanitary regulations. High standards of safety against fire, water pollution, food and milk spoilage, and bathing and toilet contamination are required. A minimum floor space in sleeping quarters of 30 square feet for each person over 2 years old is provided for. If adequate inspection renders these rules effective in the coming year, a distinct advance will have been made in this most pressing aspect of the migrant labor problem.

Pennsylvania: For the first time, State funds were appropriated for the establishment of a day-care center for migrant children. Augmented by Federal and private funds, it is a notable example of practical cooperation between State agencies and citizen groups. The Pennsylvania Citizens Committee on Migratory Labor deserves prime credit for this achievement. National sharecroppers fund is gratified that its financial aid has helped make this work possible and looks forward to continuing cooperation in the citizens committee's program for better health, housing, working conditions, and minimum wages.

New Jersey: The 9-year old joint governmental-public migrant labor board continues to direct and stimulate the State's program administered through the migrant-labor division (now the bureau of migrant labor) of the department of labor. A significant development was the operation of the recent law including farm-labor contractors (crew leaders primarily) under private employment agency regulation. The chief effect of this regulation has been to encourage payment of the worker directly and thus reduce his financial dependence on the crew leader. New Jersey has continued its experiment with a summer school for migrant children. It is hoped that out of this experience there will soon evolve a more comprehensive program which will include all, rather than a hundred or so, migrant children and that this program will be adapted by other States to their needs—perhaps with Federal aid.

In sharp contrast to these few forward steps on the State level is the more nearly typical situation existing in Maryland. Here not only has there been no official governmental recognition of the problem, despite the presence of over 10,000 migrant farm workers during the course of the year, but residency requirements ranging up to 1 year exclude most migrants from public welfare, hospitalization, and medical care. No provision is made for periodic inspection of farm labor camps and no special provisions are made for schooling. Like most States, Maryland fails to provide for workmen's compensation for injured farm workers. Only Ohio, Hawaii, and Puerto Rico provide for compulsory coverage of farm workers on the same basis as other workers.

PUERTO RICAN WORKERS ON THE MAINLAND

Puerto Rican workers coming to the mainland were the only group of domestic farm workers to receive Federal protection in wages, housing, and working conditions. In 1954, 10,800 of them came under work agreements prepared by the Puerto Rican department of labor and cleared for placement by the United States Employment Service. Early drought and late hurricanes had reduced this work force by 4,200 under 1953.

It is estimated that at least 10,000 more Puerto Rican farm workers came to the mainland without formal contracts and that in recent years 5,000 to 6,000 of them have become part of the year-round migratory stream. Despite some serious drawbacks to the Puerto Rican program, such as denial of union representation or of worker participation in the determination of the prevailing wage, it has demonstrated the feasibility of direct remedial action by the Government in the field of domestic farm labor.

MEXICAN WORKERS IN THE UNITED STATES

The Southwest farm operators' claimed dependency upon Mexican workers which has encouraged over 1 million illegal entries a year continued unabated during the first half of the year. By that time a large part of the crops of California, Arizona, New Mexico, and Texas had been planted and cultivated by illegal (wetback) Mexican labor, often at pay as low as 25 cents an hour. The domestic labor force had been driven out to swell the size, and depress the conditions, of migrant labor in other parts of the country.

By June public opinion forced Attorney General Brownell to take action. With an augmented border patrol, the Justice Department cracked down on wetbacks. In a 4-month period, 300,000 Mexican illegals were arrested and deported, or frightened back across the border.

The operators' outcry against this loss of cheap labor was met by a quick stepup of the legal Mexican contract labor system. A preliminary screening station was established at Monterey, 150 miles south of the border. From there, the certified bracero (farm worker) went to border recruiting centers where, after physical examination, chest X-ray, and fingerprinting, he was hired by corporation farmers or farmer associations for work in Government-certified labor shortage areas. Under the work contract, Mexicans received guaranties of 50 cents an hour minimum wage, at least 3 weeks work out of 4, workmen's compensation, adequate food and housing at reasonable prices. No such guaranties were available to any domestic worker except the Puerto Rican.

Three hundred nine thousand and thirty-three Mexican nationals were legally imported under contract in 1954, a 54 percent increase over 1953's 201,380 total.

The growing magnitude of this problem cannot be solved by an annual "crisis" deportation drive against the illegals nor by legalized Mexicans working at 50 cents an hour. This minimum becomes the maximum and creates the domestic shortage that is the excuse for the importation. National Sharecroppers Fund favors last year's Senate Judiciary Committee proposals for more stringent penalties on those who participate in the traffic in illegal entry. NSF believes that the alleged domestic labor shortage in the area is artificially created by pay rates too low for decent living. NSF favors legal importation, only if the contracts are enforced[1] and the minimum raised to a wage where a domestic worker can support his family without putting his wife and children to toil in the fields. Finally, NSF believes that the domestic farm worker is entitled to the same Federal protection that the imported worker enjoys, and which has long been taken for granted by the city worker.

[1] On November 1, 1954, the U. S. Department of Labor and the Texas Employment Service had less than a dozen compliance officers to enforce the Mexican workers contract. At that time, there were 16,570 employers hiring 96,532 Mexicans in the State.

THE SOUTH

While the sharecropper system is on the decline with increased mechanization and diversification throwing the 'cropper into the day labor and migrant stream, it continues to be the prime producer of the crop in many areas. National Sharecroppers Fund, concerned with the problems of all farm labor, has always done what it can to help the efforts of this group to help itself. NSF is particularly happy to report that at least one group of sharecroppers in Alabama, barely eking out subsistence, is seeking to meet this problem of mechanization by banding together for the joint purchase of a tractor and other equipment. NSF hopes to help in this and other such projects which might well be one solution to the problem of keeping the landless from becoming the homeless.

Closely akin to the sharecroppers are the farm workers who, while primarily needed for day labor at peak seasons, live on the plantations in planter-owned shacks and trade on credit in planter-owned stores. Typical of this group are the sugarcane and rice workers of Louisiana.

In the fall of 1953, 2,000 sugarcane workers, organized by the National Agricultural Workers Union—AFL, went on strike (after exhausting all other means) to better their miserable living and working conditions. (Average yearly family earnings: $700–$1,200.) Despite the help of National Sharecroppers Fund and other organizations, the strike was broken through antilabor injunctions, a type of court interference that long has been a thing of the past in industry. The injunctions were appealed and, after almost a year, the Louisiana Supreme Court ruled that the injunctions were valid because the strike during the harvest season jeopardized a vital segment of the economy of the State. Chief Justice Fournet said in his decision: "The guaranties of freedom of speech, even if picketing and speech are held to be identical, cannot be maintained in the face of such irreparable injury to property." If this doctrine is permitted to stand, the workers in a major industry of any State may be enjoined from striking at a crucial production period. The union attorneys are preparing an appeal to the United States Supreme Court.

The rice workers of the same area have appealed to the National Agricultural Workers Union for help in organizing. These Cajun-speaking workers, about equally divided between Negro and white, earn 35 cents to 40 cents an hour during the season. They work 10 to 12 hours a day, irrigating the canals essential to rice production. Louisiana is the second largest rice-producing area in the world. There should be significant developments soon in this effort of the workers to gain a decent measure of return for their work.

SMALL FARMER COOPERATION

The small farmer, squeezed between the large operators and the distributors of the farm product, has long tried to better his bargaining position through marketing cooperatives in many areas. Only recently, however, has he begun to recognize that his interests are more nearly those of the worker than of the corporation farmer.

The attempt of 3,000 small Louisiana strawberry growers to market their product in 1952 and 1953 through the Fruit and Vegetable Producers Union, AFL was thwarted by the institution of a Sherman Anti-Trust Act prosecution against them. It is ironical that these farmers, whose average yearly earnings from strawberries were less than $400, were convicted of being a strawberry trust and their union leader was given the maximum sentence under the law—$5,000 fine and a 1 year (suspended) prison sentence. A recent report from the Attorney General indicates that rarely is such a sen-

tence imposed in cases involving corporations.

Partly out of this bitter experience, the National Agricultural Workers Union has established a Department of Cooperative Unions. This department will accept into affiliation cooperative marketing associations of small farmers set up in compliance with Federal and State law. Thus the ability and strength of union organization and cooperative marketing will be pooled to raise the living standards of the small farmer.

First result of this program was the organization of 300 small dairy farmers in northeastern Pennsylvania. Other dairy groups have been formed in Maryland, Minnesota, West Virginia, and Wisconsin. In the offing is the reorganization of the Louisiana Fruit and Vegetable Producers Union.

EDUCATION OF MIGRANT CHILDREN

A major emphasis of national sharecroppers fund in the last year has been education of migrant children. NSF has joined with 6 other organizations in launching a demonstration project in Florida and Virginia. It will attempt to alleviate the educational disruption of the child who when school opens in the fall finds himself on the eastern shore of Virginia where his parents harvest the late crop, returns to Florida to enter class late in November, and starts north again in April. Such a schedule results in little education and early drop-outs. The project has established, in cooperation with the local boards of education, a supervisor of migrant education, who will work with the local schools and travel with the migrants. She will see that the children get to school and that they have their proper records. She will work with the teachers to coordinate the curricula and see that the migrant child gets the special help he needs to integrate him with his nonmigrating classmate.

To continue this work, NSF has helped organize the migrant children's fund, whose main aim is to develop and promote educational opportunities for migrant children who, studies show, become retarded through constant migration though their native abilities measure up to those children not constantly on the move.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR

Now in its fifth year of operation, this national council serves its large number of affiliated organizations with up-to-the-minute news of the Washington scene affecting farm labor and the small family farmer. National sharecroppers fund is an active participant in the council's program and supplies financial support as well.

Over the years, national sharecroppers fund, conscientious news reporters, and concerned groups of citizens have been gradually educating the American public concerning the plight of the sharecropper, tenant farmer, and migrant farm worker. As this report shows, advances are being made in some areas. It is to be hoped that the fund's supporters will renew and expand their generous support of our work in 1955.

Mr. MORSE. Mr. President, I wish to call the particular attention of the Senate to the section dealing with the importation of Mexican farm workers. Although under the work contracts they receive guaranties of 50 cents an hour minimum wage, we continue to receive reports to the effect that wages as low as 25 cents an hour are being paid both to contract workers and to illegal wetbacks.

I also call particular attention to the portion of the report dealing with the State of Louisiana. The report points out that employers in Louisiana claim the right to prevent labor from organizing in farm industry. The report shows that a judge issued injunctions against a strike by farm workers in the harvest fields in that State.

The injunction was upheld a year later by the Lousiana Supreme Court on the ground that the workers did not have the right to strike during the harvesting season. That case is being appealed to the United States Supreme Court. If it should ever become universal law in this country, it would amount to breaking the back of the economic strength of organized labor.

It is a rather novel ruling that labor should have the right to strike only when it would not do any injury to the employer. That would destroy the economic strength derived from the right to strike in American industrial relations. It is a very disturbing decision. Of course, it is a long step backward to government by injunction in the United States in the field of industrial relations.

I particularly urge my colleagues to read this report, because it is clear evidence that we still have a long way to go before economic justice is done to the people in the low wage brackets, particularly agricultural workers, who, in many sections of the country, are looked upon as human beings who do not even have the right to organize.

THE PRESIDENT pro tempore. Morning business is concluded.

THE SHAWNEE AND JOPPA POWERPLANTS

Mr. GOLDWATER. Mr. President, last Friday reference was made on the floor of the Senate to what was called the "Ebasco fiasco." Unfortunately, I was unable to be present at that time, or I would have replied to the statement.

In my own State of Arizona a large oil refinery is to be built by Ebasco. Having perfect confidence in the ability of the people of my State to select companies which can do the work and which are honorable, I wish to make a brief statement in reply to the remarks last Friday.

For a while, Mr. President, we heard a great deal about how TVA had outstripped private industry in building the Shawnee powerplant, which is comparable to the Joppa plant built by Electric Energy, Inc., but we have not heard so much about that recently. I wonder if the court case in East St. Louis had anything to do with causing less discussion of the comparison. The chances are that most of us are not informed about this court case. Before the trial, public power enthusiasts made a great deal of to-do about the Ebasco fiasco and their statements received wide publicity. But outside the St. Louis area one really had to search to find information about the indictment, trial, conviction, and sentencing of two big labor racketeers for their nefarious operations on the Joppa plant which was being constructed by Ebasco.

It never did make sense to me that an organization with some 70 or 80 leading utility companies as clients, a company that had designed and built more powerplants than any other single organization in the world, would make a flop on a plant so important as the one at Joppa, unless something happened that was entirely beyond their control. Any reasonable man would know that Ebasco realized it was in competition with TVA and that if TVA outdid it on the job, they would advertise the fact to the world.

I know a little about Ebasco. I know they have built some of the finest, cheapest, and most economical plants in the world. They have done most of the engineering, and some of the construction, for the Public Service Company of Arizona, a large utility serving my State. I know the management of Public Service sufficiently well to be confident that it would not tolerate inefficiency or incompetency 5 minutes, so I know those who get its work, and continue to get it, must be good.

But getting back to the East St. Louis trial: Irving R. Dale and James Bateman, large southern Illinois labor leaders, were found guilty of attempting to extort $1,030,000 from Ebasco, which was building the Joppa plant. They did extort $7,500 from Maxon Construction Co., which had subcontracted a part of the work.

When these racketeers failed to get the money out of Ebasco, the company was plagued with a series of strikes. Another peculiar thing about the whole transaction is that the strikes were not against the company for unfair labor practices or anything like that, but were jurisdictional strikes. There were more than 40 strikes and 23 partial shutdowns. Twenty percent of the working time was lost because of these strikes. But the strikes were not the worst part of this deal. Those familiar with construction know that when an operation is plagued with one strike right after another, even during the time men are working there is a slowing down. The slowdown is worse than the strike. When men are giving a third or a half a day's work for a day's pay the cost is heavy. At least when they are out on strike the employer has only the overhead going on and he does not have to pay the men who are not producing.

This whole thing has a smell to me, and I am not sure the whole story has yet been told by any manner of means. Its a strange coincidence that many of the strongest supporters of Government power are backed by labor and are willing to give labor anything it wants. And, by the same token, most of the segments of organized labor have been strong proponents of TVA and other Government power developments. Could it be that labor, too, realized the competition between private industry and TVA and undertook to see that TVA won the contest?

If I was boosting TVA I would be very quiet on this subject.

I have here a press release dated January 1, 1955, from the Department of Justice. I desire to read one paragraph from this release:

The flagrant example of the type of situation involved can be found in the Evan Dale case in the southern district of Illinois. Dale gained complete domination of the rank

and file of his union. He then used this control, plus terrorism, to intimidate contractors and sabotage construction work for his own personal gain. Actions of Dale and his associates have been estimated to have cost the Government more than $51 million during construction of the Joppa, Ill., powerplant for the Atomic Energy Commission. He and another labor leader, James Bateman, convicted of attempting and conspiring to extort more than $1,030,000 from the original contractors for the plant.

Mr. President, I ask unanimous consent that at this point in my remarks there be printed a press release issued by the Department of Justice on January 1, 1955.

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

DEPARTMENT OF JUSTICE

Assistant Attorney General Warren Olney III said today that major progress was made against labor racketeering during 1954 by the Department of Justice with the cooperation of responsible union officials.

Reporting to Attorney General Herbert Brownell, Jr., on the 1954 activities of the Department's Criminal Division, which Mr. Olney heads, the Assistant Attorney General said:

"Creation in 1954 of an Organized Crime and Racketeering Section was an important development in the work of fighting crime. The section serves as a national filter for all information pertaining to organized criminal activity. By coordinating work of the other sections of the Division where criminal activity cuts across several fields, it is proving a sharp weapon against racketeering in all forms.

"A particular result is that approximately 50 investigations of extortion or bribery now are being initiated every month under the Labor Management Relations Act and the Anti-Racketeering Statute (the Hobbs Act). In 1953, there were 19 labor racketeering indictments involving 44 defendants under these 2 laws. In 1954 there were 37 indictments involving 65 defendants. There were 28 convictions in 1954; none in 1953.

"A flagrant example of the type of situation involved can be found in the Evan Dale case in the southern district of Illinois. Dale gained complete domination of the rank and file of his union. He then used this control, plus terrorism, to intimidate contractors and sabotage construction work for his own personal gain. Actions of Dale and his associates have been estimated to have cost the Government more than $51 million during construction of the Joppa, Ill., powerplant for the Atomic Energy Commission. He and another labor leader, James Bateman, convicted of attempting and conspiring to extort more than $1,030,000 from the original contractors for the plant."

Mr. GOLDWATER. Mr. President, I ask unanimous consent that at this point in my remarks there be printed a series of newspaper articles dealing with the situation I have been discussing.

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

[From the St. Louis Post-Dispatch of November 30, 1954]

BUILDERS' AGENT TELLS OF $7,500 IN PAYOFFS MADE TO UNIONIST DALE—WITNESS IN RACKETS TRIAL SAYS HE GAVE CASH TO DEFENDANT FOR PROMISES TO HALT JOPPA LABOR TIEUPS

Payoffs totaling $7,500 were made to Evan R. Dale, southern Illinois boss of the AFL Laborer's Union, in exchange for assurances that work stoppages plaguing a subcontractor on the Joppa (Ill.) atomic facility would cease, a witness testified today in United States District Court at East St. Louis.

Thomas J. Scott, resident construction engineer for the Maxon Construction Co., of Dayton, Ohio, said he made the payments in 4 installments in 1952, delivering the cash to Dale personally in sealed envelopes. The first payment was made March 17, he said, and the final one was made September 17.

Scott, a large, gray-haired man, bowed his head as he testified. He spoke in a low voice, haltingly, and flushed as he described the payoffs.

DALE LISTENS INTENTLY

Dale, seated near the front of the defendants' counsel table, leaned forward and listened intently to the testimony. He is on trial with James Bateman, another southern Illinois labor leader, on charges of violating the Federal Antiracketeering Act.

Dale alone is charged in 1 count of a 3-count indictment with extorting the $7,500 from the Maxon firm. He and Bateman together are alleged to have attempted to extort $1,030,000 from Ebasco Services, Inc., of New York, general contractor on the $197 million Joppa job.

Scott testified he and other officers of the Maxon Co. became alarmed in July 1951 at the number of work stoppages which had occurred on their job of constructing a water intake structure, a discharge well, and a loading dock for the Ebasco firm. Work had started in May, he said, and laborers were walking off the job at least once a week.

SOUGHT INTERVIEW WITH DALE

As a result of this concern, he testified, he sought an interview with Dale, who controlled a labor pool of 30,000 men for work on the Joppa Job and also for large atomic energy construction projects at Paducah, Ky., and Shawnee, Ky. He met with Dale at a hotel bar in Cairo, Ill., he recalled.

"Dale told me he wasn't expecting me, but had expected one of the big boys," Scott said. "At this meeting he asked me how much our job was and I said it was $863,000."

The witness said he saw Dale again several days later. At the second meeting, he said, Dale told him the customary price for labor peace in southern Illinois was a flat 1 percent of the contract "in cash."

Scott testified he agreed to pay Dale after holding several conferences with other officers of his company. Labor troubles ceased for the Maxon company, he added, although no payments were made immediately.

Early in 1952, he said Dale summoned him to the labor chief's office at Carbondale, Ill.

DALE SAID HE NEEDED MONEY

"Dale told me it was being rumored around that Maxon Construction Co. had already paid off", the witness said. "He said his associates had begun to believe this and were concluding that, he (Dale) was holding out. Dale said he needed the money right now."

The figure of $7,500 was agreed upon at this conference, Scott said.

Asked by Assistant United States Attorney Edward G. Maag if he actually paid any money to Dale, the witness said:

"I did. I paid him a total of $7,500. I made four payments. The first time was about March 17, 1952, in the men's room of the Embassy Club at Cairo, Ill. I gave Dale the money in a brown manila envelope. He counted it and put it in his pocket. It was $2,000 in cash."

Scott testified the next two payments also were $2,000 each and were made at Dale's Carbondale office April 23 and June 3. The final payment, he said, was for $1,500 and was turned over to Dale at the Carbondale office September 17, in each case the money was carried in a brown manila envelope, he said.

The witness said he obtained the payoff money from John E. Burke, vice president and treasurer of the Maxon company, and that Burke knew for what purpose it was to be used.

TELLS OF ANOTHER CONVERSATION

A conversation he had with Edward M. Marselli, assistant general plant superintendent for Electric Energy, Inc., for whom the Joppa plant was built, was also related by Scott.

"I was talking to him on July 24, 1951", Scott testified, "and I told him about Dale's statement that the customary price for labor peace in southern Illinois was 1 percent of the contract.

"Marselli gave a long, low whistle. He said, 'One percent of $100 million amounts to $1 million.' "

Scott testified Marselli was referring to the estimated overall cost of the Joppa contract which at that time was $130 million.

In his opening statement to a jury of six men and six women, Maag outlined details of the alleged Maxon shakedown as given in Scott's testimony.

He said Dale told Scott and other representatives of companies working on the Joppa project that he (Dale) was the boss in southern Illinois and must be paid for labor peace.

DEMANDS ON EBASCO COMPANY

In support of the other two counts, Maag said the Government would prove that Dale made similar demands of Ebasco Co. and that work stoppages and jurisdictional disputes among unions continued for more than 18 months after the general contractor refused to pay off.

He said that Bateman, a business representative of a Murphysboro (Ill.) local of the AFL pipefitters' union, took part in several conferences where demands were made. Dale, who lives at Carbondale, is the most powerful southern Illinois figure in the AFL construction laborers' union.

For the defense Fletcher Lewis of Murphysboro, attorney for Bateman, said his client had "done everything humanly possible" to stop jurisdictional disputes at Joppa. Bateman's union was involved in only 3 of 43 work stoppages, he said, and Bateman was named chairman of a conference of business agents to mediate and prevent jurisdictional trouble.

General denials of the Government's charges were made in behalf of Dale.

A last minute motion to dismiss the indictment on which Dale and Bateman are being tried was filed this morning by defense attorney John J. Hoban of East St. Louis, but it was overruled by United States District Judge Fred L. Wham.

The motion contended that Dale had been deprived of his constitutional rights when he was called before a Federal grand jury in St. Louis, in June 1953, and asked to give testimony about labor trouble at Joppa.

OTHERS AIDING MAAG

Working with Maag in presentation of the Government's case were United States Attorney Clifford Raemer and Tom E. DeWolfe and Ben Brooks, assistant attorneys general assigned from the trial division of the Department of Justice.

The jury was selected yesterday after an all-day session. Two alternates, a man and a woman, also were chosen.

Dale is represented by Hoban and Bateman by Lewis and John M. Karns of East St. Louis.

Judge Wham questioned prospective jurors exhaustively, asking if they had any union affiliations, if close relatives belonged to unions, if they were employers of union labor and if they were prejudiced against organized labor.

He dismissed 5 men who expressed a bias against labor and said they thought this would influence their verdict. The defense challenged 11 and the Government 5.

The jury was placed in custody of the United States marshal for the duration of the trial.

MEMBERS OF JURY

Members of the jury are Dwight B. Bailor, coal miner, Valier; Oliver Breidicker, vice president, First National Bank, East St. Louis; Michael Brennan, office manager, Ames Construction Co., East St. Louis; Mrs. Virginia Cover, Tunnel Hill; Daniel Gover, insurance agent, Mattoon; Mrs. Carmen Hutchcraft, Fairfield; Edwin Kleeman, farmer, Nashville, Mrs. June Klein, Pinckneyville; Bert Knoll, farmer, Danville; Mrs. Mildred Meyer, Walsh; Mrs. Mildred Molique, East St. Louis, and Mrs. Martha Mueller, Carlyle.

Alternates are Gilbert Potts, store manager, Altamont and Mrs. Virginia Richard, Pinckneyville.

The second count alleges an attempt to extort the money from representatives of the general contractor, Ebasco Services, Inc., of New York, recognized as one of the largest constructors of utility powerplants in the world.

The first count of the indictment charges Dale and Bateman with conspiring to obstruct and delay interstate commerce by demanding payment of the $1,030,000 in exchange for industrial peace at the Joppa plant.

The Joppa plant, built to supply power for the atomic energy gaseous diffusion plant at Paducah, Ky., was constructed for Electric Energy, Inc., an organization of five private utilities. It was plagued with work stoppages, which began the same month the first alleged shakedown attempt was made.

Cost of construction increased $58 million over the original estimate. Staff employees of the Atomic Energy Commission have testified the added costs were due largely to strikes and labor trouble. Four generators are now in operation.

The labor strife, mostly jurisdictional disputes between unions, continued for 18 months. Finally, in the summer of 1953, Electric Energy, Inc., took the contract away from Ebasco and turned it over to another firm.

[From the St. Louis Post-Dispatch of December 1, 1954]

WITNESS TELLS OF DECISION NOT TO PAY OFF DALE—COMBINE AGENT TESTIFIES ON MEETING REFUSING $1,030,000 SOUGHT BY UNIONIST

Testimony about a St. Louis conference in which high level utility and construction company officials decided against making a $1,030,000 payoff to Evan R. Dale, southern Illinois boss of the AFL Laborers' Union, was given in United States district court today at Dale's trial on labor-racketeering charges.

The witness, Turner White, Jr., vice president and general manager of Electric Energy, Inc., a combine of 5 private utilities organized to build and operate an atomic-energy facility at Joppa, Ill., said 3 company representatives attending the meeting reported demands made on them by Dale to permit peaceful completion of the project.

White was permitted to testify about the meeting only because Defense Attorney John J. Hoban had insisted on asking him questions relating to whether he had ever received any direct threats from Dale.

PROSECUTOR OBJECTS

Since Assistant United States Attorney Edward G. Maag had interrogated White only about contracts, the Government prosecutor objected to Hoban's line of questioning.

United States District Judge Fred L. Wham at first sustained the objection, but when Hoban announced he would call White as a defense witness the judge permitted him to continue.

Hoban then drew from White a statement that Dale had made no direct threats.

This gave Maag an opportunity to ask if any indirect threats were made.

"All I know is what was reported to me by Mr. Marselli (Edward M. Marselli, assistant plant superintendent for Electric Energy, Inc.)," the witness replied. "He reported on his conversations with Dale in which he was told to see another man who told him it would take 1 percent of the contract to stop our troubles."

White said Marselli's report was made at the high level conference in St. Louis, held in the late summer of 1951. Among those attending the meeting, he said, were J. Wesley McAfee, president of Union Electric Co., of Missouri, and also of Electric Energy, Inc.; Ralph E. Moody, a vice president of Electric Energy, and a number of Ebasco officials, including Kemp W. Reese, Fred Gardner, Clinton J. Sammond, and Arthur J. Mohan.

OTHERS REPORTING DEMANDS

Asked if anyone at the meeting besides Marselli reported demands made on them, White said that Garner and Reese had so reported. He did not elaborate.

Sammond, industrial relations consultant for Ebasco Services, Inc., a New York firm of contractors and consultants, testified earlier about a conference with labor leaders at Cairo, Ill., in which Dale boasted of his power and said the Joppa job would never be completed unless Ebasco learned to do business his way.

This testimony was corroborated, in its main parts, by Fred J. Daugherty, president of Daugherty Co., Inc., of Youngstown, Ohio, piping contractors, and Delphin Johnson, Portsmouth, Ohio, who was in charge of materials for the Daugherty firm. They said they attended the meeting.

Facts alleged in the indictment occurred while Ebasco Services was the prime contractor on the Joppa powerplant. The estimated cost of the project skyrocketed $58 million to a present estimate of $197 million, the rise being attributed largely to labor trouble. Ebasco Services was unable to complete the contract and was replaced by another firm.

Dale, who lives at Carbondale, is on trial with James Bateman, business representative of a Murphysboro local of the AFL pipefitters' union. They are charged with interferring with interstate commerce by attempting to extort $1,030,000 from Ebasco Services, Inc., and Dale alone is charged with receiving a $7,500 payoff from a subcontractor at Joppa.

DESCRIBES MEETING WITH DALE

Sammond, a forthright witness with a sharp, New England manner of speaking, gave the jury of 6 men and 6 women a vivid description of his meeting with Dale and Bateman at the Embassy Club in Cairo, August 20, 1951.

At no time during the 5-hour conference did Dale directly broach the subject of a shakedown, the witness said, but kept advising Sammond to "learn how to do business with labor in southern Illinois."

Pressed for further details of what he meant, Sammond testified, Dale told him to look up Thomas J. Scott, resident construction engineer for the Maxon Construction Co., a subcontractor at Joppa, and find out what Dale meant.

TESTIMONY ON PAYOFFS

Scott, the first Government witness, has testified that he made payments totaling $7,500 to Dale after the labor boss told him his company could enjoy good relations with labor by payoffs amounting to 1 percent of its contract.

Dale was in a boastful mood as the Cairo conference opened, Sammond testified. He talked about his hunting lodge in Alexander County and of a $1,500 shotgun he owned. He said, Sammond related, that he had once been a chauffeur for a Chicago man, known as the "asphalt king," who was killed by gangsters.

Sammond quoted Dale as saying: "I am a Chicago boy. When I left Chicago I threw away my shovel for a blackjack and I have been using it effectively ever since. I came to southern Illinois 15 years ago to carve out an empire. I have carved out an empire. I have 38,000 laborers and 28 business agents under me."

(Dale, as president of the Southern Illinois District Council of the AFL Hod Carriers and Building Laborers' Union, has control of a pool of 38,000 laborers. He also has been a prominent figure in Illinois Republican politics since 1940.)

TELLS OF INDICTMENT

Dale told those attending the meeting, Sammond went on, that the last time he had had trouble with a contractor six men had been killed or injured. Dale was quoted as saying he had been indicted for murder.

(In 1948 Dale and 3 others were indicted at Cairo for conspiracy to assault 2 Alexander County labor leaders involved in a jurisdictional dispute. The case was eventually dismissed.)

Hoban objected to Sammond's testimony at this point, but Judge Wham ruled it admissible because it tended to support Government charges that Dale had attempted to induce a feeling of fear on the part of the contractor.

Sammond then continued, testifying that Dale suddenly accused him of having gone to Lawrence Callanan, ex-convict boss of the AFL Steamfitters' Union in St. Louis, to make a deal. This was the first time he had ever heard of Callanan, Sammond said. Callanan was convicted earlier this year of racketeering and is under a 12-year sentence.

Bateman took little part in the discussion, Sammond testified, but several times urged Dale to send his men back to work on a jurisdictional strike which had the project tied up at that time. The dispute was between Dale's laborers and Bateman's pipefitters over unloading of pipe.

NO HURRY TO SETTLE STRIKE

"Dale told Bateman he was in no hurry to settle the strike," Sammond testified. "He said he would just as soon keep the men out another week."

Then, Sammond said, Dale changed the subject.

"He asked me what Ebasco's contract was worth. First, I said $86 million, then changed the figure to $93,500,000. Dale made his own estimate. He said it was about $103,500,000.

"I asked him what we could do to settle the labor difficulties. He advised me to learn how to do business in southern Illinois. Then he elaborated. He suggested that I consult the Springfield (Ill.) office of the Associated General Contractors or see Tom Scott of the Maxon Co."

Sammond, who operates as a national troubleshooter for Ebasco, one of the largest builders of powerplants in the world, said Dale boasted that Bateman once had been one of his assistants, and that he could be assured of Bateman's cooperation. Dale was quoted as saying he had all the other southern Illinois labor leaders in his pocket.

WARNS OF STOPPAGES

"Dale asked me," Sammond testified, " 'Do you have authority to commit Ebasco?' I told him I would have to consult my superiors. He replied, 'Unless you learn to do business in the manner customary in southern Illinois, you won't complete the job.' He bragged about 87 work stoppages which had occurred on a building job at Grand Tower, Ill."

(Dale is under indictment in St. Louis on a charge of conspiring to extort money from a contractor working on a levee job at Grand Tower.)

The laborer's boss boasted of political candidates he had elected and others he had

defeated, Sammond testified. During the conference, Sammond said, Dale sent the Embassy Club manager out to summon the sheriff of Alexander County. The sheriff came to the club, he added, and Dale directed the law officer to "take a seat over in the corner."

Sammond testified he never made a deal with Dale, but later visited Scott, the Maxon Co. engineer, as the labor boss had suggested. Scott told him, he testified, that Dale had set a price of 1 percent of the contract for insuring labor peace. This would have amounted to $1,030,000 if the contract estimate made by Dale were used.

Marselli, who had made the "shakedown report" to the St. Louis high-level conference, testified that Dale directed him "to see Tom Scott" when he asked Dale what could be done about settling the labor trouble.

MEETING IN TRAILER

Marselli said he visited Scott in Scott's trailer office on the bank of the Ohio River. Scott told him, he said, that Dale had agreed to insure labor peace for 1 percent of the cost of the job.

"I was amazed," Marselli testified, "and I told Scott, 'Why 1 percent of $100 million is $1 million.'

"He nodded. He said, 'You're good at figures.' "

Marselli said he asked Scott what guarantee his company would have that there would be no further labor trouble after a payoff.

The witness quoted Scott as saying: "You make it in monthly payments. If you have labor trouble, you discontinue payments."

Sott testified earlier in the day that he had made four payoffs, totaling $7,500, to Dale in four installments in 1952, beginning March 17 and ending September 17.

[From the St. Louis Globe-Democrat of December 1, 1954]

BUILDER SAYS HE PAID $7,500 TO EVAN DALE

A contracting firm official testified yesterday that he paid $7,500 to Evan R. Dale in hopes that the southern Illinois labor and political leader would bring labor peace to the job of constructing the Electric Energy power plant in Joppa, Ill.

Thomas J. Scott, Jr., a former superintendent on the job for the Maxon Construction Co., of Dayton, Ohio, was the Government's first witness at the labor-racketeering trial of Dale and his codefendant, James Batemen, Murphysboro, Ill., labor leader.

A jury of 6 men and 6 women is hearing the case, which is expected to take about 3 weeks, in the court of United States District Judge Fred L. Wham, at East St. Louis.

TELLS OF MEETING

Scott testified that his firm had a subcontract from Electric Energy, Inc., to erect loading and barge docks and water intake structures on the Ohio River for the plant, which was being built to supply Atomic Energy Commission power needs for its project at Paducah, Ky.

The superintendent told the court that he had met Dale in mid-July 1951 in a room in Hotel Cairo at Cairo, Ill., after seeking him to see if we couldn't arrive at some solution to all the labor difficulties we were having on our contract at Joppa.

Dale told him, he related, that it was not Scott but someone from the big boy he was expecting. Dale, of Carbondale, Ill., president of the Southern Illinois District Council of the A. F. of L. Hodcarriers, Building, and Common Laborers Union, then asked him, Scott continued, how much the Maxson contract was worth. Scott set the value at about $863,000 and Dale suggested Scott see him in a day or so.

ACCUSED OF HOLDOUT

At a second meeting soon afterward, Scott testified Dale set the price to insure labor peace at 1 percent of the contract price, $8,630 in cash. Scott said he would inform his superiors about this, but testified he told them that Dale expected nothing from them at the time.

Assistant United States attorney then asked Scott if he had talked with Dale in the latter's office in Carbondale in late 1951 or early 1952. Scott said he had and testified Dale told him then that it was being said that Maxson had been paying and that Dale's associates were saying he had been holding out on them.

Scott said he informed Dale that the job was then worth $750,000 and agreed to pay Dale $7,500 (1 percent).

Scott testified he gave Dale $2,000 in cash in a manila envelope at the Embassy Hotel in Cairo about March 17, 1952. He said Dale opened the envelope, counted the money and put it into his pocket. The balance of the money was paid Dale, Scott said, in two payments of $2,000 each and one of $1,500, all in Dale's office in Carbondale, and the last being handed over about September 17, 1952.

In earlier testimony Scott said that on about July 24, 1951, he had been told by Edward Marselli, plant superintendent for Electric Energy, that he had been referred to Scott by Dale for information about work stoppages and labor in southern Illinois.

"I told Mr. Marselli," Scott testified, "my opinion of the price of labor peace on his job was 1 percent of the contract's price in cash." Scott said Marselli, who was sitting with him on the bank of the Ohio at Joppa, whistled and figured aloud that 1 percent of $100 million was $1 million.

Scott testified under cross-examination by John J. Hoban, counsel for Dale, that Dale at no time made any demands or threats. He said he got the impression that Dale wanted the money from "observation of what actually happened" but not from any "large happening you can put your finger on."

He said in response to Hoban's questions that he did not recall how many work stoppages there were in the first 2 weeks on the job and that of those there were, Dale's union was involved in some but not all.

MADE NO DEMAND

Scott further testified that the payoff meetings were unwitnessed and that "I think I suggested $7,500, and that was agreeable to him (Dale). He did not make a demand at any time."

The witness said Dale had told him in substance that "the (Maxon) contract was rather small," adding he gained the impression that Dale would be interested in knowing that he was "the labor boss and the man to deal with."

The $7,500 extortion indictment count is against Dale alone. Two other counts accuse both Dale and Bateman of attempting to extort $1,030,000 from Ebasco Services, Inc., of New York City, Electric Energy's general contractor at Joppa, and threatening labor trouble if the demands were not met. Maag said he would prove that Ebasco's refusal to pay was followed by labor trouble for more than 18 months.

Bateman is business representative of Local 160 of the AFL Pipefitters Union at Murphysboro.

[From the St. Louis Post-Dispatch of December 2, 1954]

FIRM HEAD TELLS OF $2,961 PAYOFF TO UNIONIST DALE—TESTIFIES DEFENDANT TOLD HIM CUSTOMARY RATE WAS 1 PERCENT FOR CONTRACTORS

Edgar M. Stephens, a Cairo (Ill.) contractor, testified today that Evan R. Dale, A. F. of L. laborers' boss, told him it was customary for contractors hiring construction workers in southern Illinois to pay off at the rate of 1 percent of their contracts.

In permitting the testimony of Stephens, who told of a $2,916 payoff he made to Dale, United States District Judge Fred L. Wham ruled that it would be admissible only in order to enlighten the jury of 6 men and 6 women what had been meant in previous testimony by the phrase "doing business in the customary manner." The phrase was attributed by a number of witnesses to Dale.

Dale and James Bateman, both southern Illinois labor leaders, are on trial on charges of violating the Federal antiracketeering act. They are charged specifically with interfering with interstate commerce by attempting to extort $1,030,000 from Ebasco Services, Inc., prime contractor on construction of the Joppa (Ill.) power plant. Dale alone is charged with extorting $7,500 from a subcontractor at Joppa.

UNITED STATES RESTS ITS CASE

Ben Brooks, special assistant attorney general assisting in prosecuting of the trial in United States district court at East St. Louis, announced this afternoon that the Government was resting its case.

At defense attorney John J. Hoban's request a Government witness, Clinton J. Sammond, industrial relations consultant for Ebasco, was recalled to the stand for additional cross-examination. Upon completion of this questioning the attorneys in the case retired to the chambers of Judge Wham for a conference.

Stephens, president of Edgar Stephens & Sons, general contractors, said Dale approached him for a payoff in June 1951 after his company had begun work on construction of a spur line from the Chicago & Eastern Illinois line to the Joppa plant.

"Dale advised me he felt he had been instrumental in securing the contract for our company," Stephens said. "He said he felt he was entitled to some consideration. I asked him what he meant and he said it was customary to pay off 1 percent."

Nothing further was said about the matter, the witness said, until October 10, 1952, when he met Dale in Cairo, Ill.

"Dale told me, 'We need some money'," Stephens said. "I said, 'On what basis do you need it?' He said, 'On the basis of your contract for the spur line as per our previous discussion'."

SAYS DALE REFUSED CHECK

Stephens said he subsequently paid off. Dale refused to accept a check, he said, and Stephens gave him cash. The witness identified a check made out to cash, vouchers and invoices which, he said, represented the transaction.

Another witness, George Orick, associate editor of Architectural Forum and former writer for the magazine, Engineering News-Record, testified about interviewing Dale in October 1953.

He testified he asked Dale about reports the labor boss had attempted to shake down Ebasco. Dale replied, he said, that "if Ebasco wants to get the impression I am looking for money it is all right with me."

Later in the conservation, Orick related, Dale remarked he had been fishing and would be interested in knowing what he had caught.

On cross examination Orick acknowledged he had written in his story for Engineering News-Record that he could find no evidence to support reports that shakedowns were behind labor trouble at Joppa.

Today's first witness was Ewart Mitschke, chief of operations for the Atomic Energy Commission's gaseous diffusion plant at Paducah, Ky. He was called by the Government to testify about the interstate nature of the Joppa plant's operation.

He said the Joppa plant was constructed to supply power to the atomic energy installation at Paducah and that the first electricity was transmitted across the Ohio River from Joppa October 7, 1952.

Other witnesses identified documents which were introduced in evidence to show that turbines, generators, and other mate-

rial used at Joppa was shipped in interstate commerce.

John M. Graney, project manager for Ebasco Services told of a conference in the fall of 1952 at which efforts were made to end a work stoppage by pipefitters. He said Bateman, business agent of a Murphysboro local of the pipefitters' union, told him the stoppage would end if he would contribute to the union's welfare fund. Graney said he declined to contribute.

Details of a St. Louis conference in which high-level officers of Ebasco Services and Electric Energy, Inc., operator of the Joppa plant, allegedly reached a decision not to pay Dale the $1,030,000, was given in testimony by Turner White, Jr., vice president and general manager of Electric Energy, and Arthur J. Mohan, resident labor-relations consultant for Ebasco.

The meeting, held in offices of the Union Electric Co., of Missouri, 315 North 12th Street, was called August 28, 1951, the witnesses said, 8 days after Dale had boasted at a meeting with company men in Cairo, Ill., that the Joppa job would never be completed unless the contractor learned to do business his way.

Several Government witnesses have testified that Dale made no direct threats or demands for money at the Cairo meeting, but they insisted he created a distinct impression, by innuendo and restatement of generalities, that labor peace could be secured only by a payoff.

Three other Government witnesses testified about another conference, held by officers of the Maxon company, in which it was decided to pay off at the 1-percent rate. The payoff was made to Dale, they said, in four installments between March and September 1952. The conference was held in the summer of 1951.

John E. Burke, Dayton, Ohio, treasurer and vice president of Maxon, was asked by Maag why the company decided to pay off.

"We felt we had made a commitment to Dale in exchange for labor peace," he testified. "We thought he had an obligation, and the payments were made to fulfill our commitment. We made them in hope of having labor peace on the job."

Another Maxon company officer, Vice President Thomas L. Ohl, testified Scott had been sent to Dale to see what could be done about straightening out their labor difficulties. The company, which was building a loading dock and other facilities, was having more labor disputes at Joppa than at any other job it had ever undertaken, he said.

Asked why he had joined in the decision to pay off, Ohl said: "Because construction costs were becoming excessive and we were suffering considerable loss. We were concerned about the welfare of our supervisory employees. It was too much of a burden for them to endure the circumstances there. We had to pay for relief."

Roosevelt Patrick, chairman of Electric Energy's labor-relations committee and a former operating engineers' business agent, testified about trouble between contractors and the pipefitters' union over installation of panel meters in 1951.

The union objected because part of the piping for the meters was prefabricated before arrival at the plant, the witness said. He told of a conference he had with defendant Bateman about the matter.

Bateman, the witness testified, suggested several methods of settling the dispute. One was for Electric Energy to make a $1,500 donation to the pipefitters' social fund, Patrick said. At this point, he related, the international organizer threw up his hands, said: "Deal me out," and left.

Dale, as president of the Southern Illinois District Council of the AFL Hod Carriers & Building Laborers' Union, controls a pool of more than 30,000 workmen who have been employed at Joppa and Paducah, and also at a TVA power plant under construction at Shawnee, Ky. He has been an important figure in Illinois Republican politics. He lives at Carbondale.

[From the St. Louis Globe-Democrat of December 3, 1954]

CONTRACTOR TESTIFIES ON $2,900 PAYOFF TO DALE

A contractor testified yesterday that he paid $2,900 to Evan R. Dale after the southern Illinois boss of a pool of 38,000 AFL laborers told him he felt he "was entitled to some consideration."

Later in the day Assistant United States Attorney Edward G. Maag announced the Government was resting its case.

Edgar M. (Cap) Stephens of Cairo, Ill., testified that in mid-1951 his firm received a contract to build the spur from the main line of the Chicago & Eastern Illinois Railroad to the Electric Energy, Inc., plant at Joppa, Ill.

Dale advised him in June 1951, he said, "that he was instrumental in getting the spur line for us and was entitled to some consideration."

The contractor said he asked Dale to explain and was told "it was customary to pay off at the rate of 1 percent."

INSISTED ON CASH

Stephens said Dale told him in Dale's Cairo office on October 10, 1952, " 'We need some money.' I asked him on what basis. He said on our contract for the spur line."

The witness said Dale rejected a $2,916 check made out to Dale, insisting on cash. Stephens said he cashed the next check in his checkbook and gave Dale the money in Dale's office the same day.

Stephens testified the sum was 1 percent of the labor payroll through September 1952.

Stephens' testimony was objected to vigorously by counsel for Dale and his codefendant, business representative James Bateman of Local 160 of the AFL Pipefitters at Murphysboro, Ill.

OBJECTION OVERRULED

Judge Fred L. Wham, told the jury, in Federal court at East St. Louis, that the testimony could be received against Dale only. He said that it would enable the jury to better understand what was meant by the words "customary practices," used in connection with an August 1951 meeting at which Dale is testified to have said that the EEI project would never be completed unless Ebasco followed the "customary practices" of doing business in southern Illinois.

The judge overruled a late objection on the "customary practices" ground but explained that Dale was not on trial for the alleged payoff by Stephens.

Dale and Bateman are charged with attempting to extort $1,030,000 from a subcontractor on the Joppa job, the Mason Construction Co.

Stephens testified under cross-examination that Dale never demanded money or made threats of any kind.

Another witness, John M. Graney, an Ebasco official, said he talked with Bateman in the former's office at Joppa in November 1952, about a dispute over installation of piping that was prefabricated despite an agreement that pipe of this size was to be fabricated on the site.

Graney said Bateman suggested "giving something to the union's welfare fund," which made contributions to charity, but the money was not paid and the job was done.

Doubt that Gov. William G. Stratton will be called as a witness was expressed by Dale's counsel, John J. Hoban, after the court adjourned until this morning. Hoban said the Governor had been subpenaed relative to incidents that occurred in 1951 and 1952 but not brought out in the Government case.

Hoban estimated it would take 3 days to present the defense case if motions for acquittal are denied.

[From the St. Louis Post-Dispatch of December 7, 1954]

DALE, BATEMAN CONVICTED OF ATTEMPT TO EXTORT $1,030,000 FROM BUILDERS—JOPPA PROJECT LABORERS' BOSS IS FOUND GUILTY ON THIRD COUNT—JURY DELIBERATES 5½ HOURS—DECEMBER 17 SET FOR ARGUING MOTIONS FOR NEW TRIAL, DECEMBER 21 FOR SENTENCING

Evan R. Dale and James Bateman, southern Illinois labor leaders, were found guilty today on two counts of attempting to extort $1,030,000 from a contractor building the strike-plagued Joppa (Ill.) atomic-energy facility, by a jury in United States District Court at East St. Louis.

Dale, president of the Southern Illinois District Council of the AFL Hod Carriers and Common Laborers' Union, was found guilty on a third count of extorting $7,500 from a subcontractor at Joppa.

They were the 13th and 14th labor bosses to be convicted in Illinois and Eastern Missouri Federal courts as the result of grand-jury action which followed an intensive investigation of labor racketeering by the Post-Dispatch in the summer of 1951. All but two of this number have been found guilty of violating the Federal Anti-Racketeering Act.

JURY OUT 5½ HOURS

The jury of 6 men and 6 women deliberated for 5½ hours last night before reaching the verdict. They sealed their findings in an envelope upon retiring at 1 a. m. today and the envelope was opened in court in the presence of the jurors at 9: 30 a. m.

At the request of defense attorneys the jury was polled by United States District Judge Fred L. Wham, who then set December 17 as a date for arguing motions for a new trial and December 21 for sentencing.

Defendant Bateman, business agent of a Murphysboro (Ill.) local of the AFL Pipefitters' Union, was red-eyed and nervous when he entered the courtroom this morning. He drummed on a table as the verdict was read.

The bulky, stolid Dale, who has headed Republican labor groups in Illinois for the past 14 years, appeared unconcerned before the verdict. He flushed and leaned forward as it was read.

CONSOLED BY FRIENDS

As soon as Judge Wham adjourned court about 25 friends and relatives, many of them members of Dale's union, gathered around Dale and began consoling him.

He told a reporter: "I feel now as I felt on the witness stand, not guilty. I simply tried to tell the truth as I knew it."

Both defendants were permitted to continue at liberty on bond.

The full impact of the verdict seemed to hit Dale as he walked through the second-floor corridor toward an elevator. His body appeared to sag. He headed for his home at Carbondale, Ill.

The 63-year-old Bateman, who has been a labor officer for about 15 years, was severely shaken. Tears streaming from his eyes, the bushy-haired, bespectacled man walked from the courtroom accompanied by a son and daughter.

Jurors told a Post-Dispatch reporter they had agreed on a verdict in the case of Dale shortly after beginning deliberations last night. Agreement on Bateman's guilt required more deliberation, they said.

Dale and Bateman were charged jointly in 1 count of the indictment with interfering with interstate commerce by demanding the $1,030,000 payoff from Ebasco Services, Inc., prime contractor at the $197 million Joppa generating plant. A second count jointly charged them with entering into a conspiracy to make the demand.

FIRM LOST JOB

Ebasco Services, one of the largest builders of power plants in the world, was forced to surrender the Joppa contract after more than 40 work stoppages, many caused by jurisdictional disputes, had occured in 29 months. The firm was replaced by the Bechtel Corporation of San Francisco.

In a third count, Dale alone was charged with demanding and receiving the $7,500 payoff from the Maxon Construction Company, of Dayton, Ohio, in 1951 and 1952. The company was building a loading dock and other facilities at Joppa.

The maximum penalty on each count of the indictment is 20 years in prison and a fine of $10,000.

The case went to the jury shortly after 6 o'clock last night following a day given to final arguments and reading of instructions by Judge Wham.

Each side took 2 hours for argument. The final speaker was Assistant United States Attorney Edward G. Maag who delivered his address in short, staccato sentences, alternating between cold analysis and outbursts of indignation.

He pointed out that of all the persons attending a meeting August 20, 1951, at the Embassy Club in Cairo, Ill., where Dale was alleged to have made a demand for a $1,030,000 payoff, only Dale took the witness stand to deny that he boasted of his power and invited the payoff.

He called off the names of 4 representatives of Ebasco and Electric Energy, Inc., for which the Joppa plant was built, who had attended the meeting and testified for the Government about what went on there.

"Are they all lying?" he asked. "Is only Dale telling the truth? He says they are all lying. Are they all committing perjury except Dale? It is the duty of the Government to strike fair blows. How can we get that many people to commit perjury? It is unthinkable."

RECALLS ALLEGED BOAST

He recalled that witnesses had quoted Dale at the meeting as boasting that he was "a Chicago boy," had worked for gangsters, and had been indicted for murder as the result of killings on another big construction project.

"Why would anyone recite the horrible, nightmarish things that man said at that meeting?" Maag asked. "Does Ebasco have to be hit by a truck to know they have been threatened?"

The young prosecutor's voice rose as he walked about the courtroom, at times confronting the jury and then standing within arm's length of the man about whom he was talking.

"Dale had demanded 1 percent of the contract for labor peace," he thundered. The opposite of labor peace is labor war. What is labor war? It's everything we have charged in this indictment.

"This is not a trial of union labor. Dale is a union leader who betrayed his trust. Betrayal of trust is horrible."

Maag referred to Dale's position as head of a pool of 38,000 laborers whom he channeled to jobs at the Joppa power plant, the TVA power plant at Shawnee, Ky., and the Atomic Energy Commission's atomic gaseous diffusion installation at Paducah, Ky.

"He used those 38,000 men to line his pockets," Maag charged. "He had their interest at heart only insofar as he could use them. Can you imagine all that power in that man's hand?"

WOMAN JUROR CRYING

He pointed an accusing finger at Dale, who drew back. The jurors were leaning forward in their seats, listening intently. A woman juror in the front row was crying quietly.

"There is a shame and a stain in southern Illinois," the prosecutor said. "There is a sign up at Joppa. It reads: 'The price of peace is 1 percent.' "

Stepping again toward the jury, he lowered his voice and said: "It's high time you serve notice that blackmail is not going to work. Are you going to condone this man's conduct? It's all wrong and it's time you cleaned it up."

Dale, 38 years old, was born at Latham, Ill., and has been a member of the common laborers' union since he was 18 years old. He quit school to marry when he was 16 years old and has 2 daughters, a son and 4 grandchildren.

He became head of the Southern Illinois District Council about 1938. This office placed him in charge of furnishing laborers for construction of the huge Crab Orchard Lake ordnance plant in 1942 and 1943. The plant produced "blockbuster" bombs for the Army Air Force.

The council has jurisdiction over laborers' locals in 38 southern Illinois and 4 western Kentucky counties.

When the Atomic Energy Commission announced plans to contruct its gaseous diffusion plant at Paducah and the generating plants at Shawnee, Ky., and Joppa, the laborers organized an area council, placing Dale in charge of 38,000 laborers.

He served as national consultant of the Republican National Committee's labor division in 1952 and has held other Republican positions.

[From the St. Louis Post-Dispatch of December 8, 1954]

STRIKE-PLAGUED JOPPA PLANT EXPECTED TO BE IN FULL PRODUCTION EARLY IN 1955—COST IS $58 MILLION ABOVE ORIGINAL ESTIMATES—TWO LABOR BOSSES CONVICTED

(By Carl R. Baldwin)

The Joppa (Ill.) steam-generating plant, one of the country's most vital atomic energy installations, is expected to go into full production early next year after a stormy 4-year history marked by almost constant strife between management and labor and frequent skirmishes of union against union.

Two powerful labor leaders charged with the responsibility of supplying workmen for the construction, Evan R. Dale and James Bateman, were convicted yesterday of racketeering and a third, William B. Sanders, has been expelled for life from his international union.

Ebasco Services, Inc., one of the largest builders of powerplants in the world, was forced to surrender its contract to build the installation because it was unable to overcome Joppa's many headaches.

Meanwhile, costs rose a staggering $58 million above original estimates until the plant now will cost the Atomic Energy Commission an estimated $197 million. Management blames this primarily on labor and some labor leaders have placed the blame on inept management.

ONE MILLION THIRTY THOUSAND DOLLAR EXTORTION ATTEMPT

Whatever the reasons for the enormous cost of Joppa, which already is supplying electric power to the huge atomic energy plant at Paducah, Ky., two of the key figures in the Joppa labor disputes now stand convicted of interfering with interstate commerce by attempting to extort $1,030,000 from Ebasco Services.

Atty. Gen. Herbert Brownell, after learning of the verdict returned by a jury in United States District Court at East St. Louis yesterday, said it was "the largest shakedown attempted since more than $1 million was extorted from the movie industry by the Browne-Bioff syndicate nearly two decades ago."

Brownell said the conviction should serve notice "that labor racketeers will not be tolerated and that we intend to prosecute such crimes wherever found." He added he believed responsible labor leaders felt the same way the administration does about "those who use violence, threats, and personal intimidation" to enforce shakedown demands.

The Joppa plant, born by act of Congress in November 1950, was hailed as a boon to southern Illinois labor in the beginning. The Biblically named town which had been a thriving river port at the turn of the century and had one of the deepest channels in the Ohio River, was expected to once again become a busy metropolis.

STAIN ON SOUTHERN ILLINOIS

None of these things came to pass. The workers who came to Joppa came in trailers or commuted great distances from other Illinois and Kentucky towns. And the Joppa plant itself became what Assistant United States Attorney Edward G. Maag, young prosecutor of Dale and Bateman, "a stain and a shame on southern Illinois."

Dale, the central figure in the Joppa case, first came on the scene in January 1951 when he was placed in charge of a Joppa-Paducah-Shawnee labor pool of 38,000 workmen by Joseph V. Moreschi, international president of the hod carriers and laborers.

Dale had cut a wide swath through southern Illinois as a labor boss and political leader. He expressed his personality wearing wide-brimmed hats and fancy hunting clothes. He bought expensive shotguns, entertained at a hunting lodge in Alexander County, and was seen often in nightclubs.

In 1940 he became a member of the Republican Party. He explained recently to a Post-Dispatch reporter that he did so because he felt that party was on its way back to power at the time and he wanted to be on the ground floor when the political complexion of the country changed.

That he has changed his mind about the Republicans, whose administration has directed the investigation which led to his conviction, was evident from a tirade he made against his adopted party.

"I thought there would be a place for me in helping the party build up its strength," he said, bitterly. "But I find the Republicans are out to cut labor's throat."

LEADER IN COMMUNITY LIFE

The self-made labor boss, who had quit school at the age of 16 to marry, took a leading part in community life at Carbondale, Ill., and headed downstate Republican groups. He was a highly controversial figure. Some persons held him in great esteem as a bulwark of the community, others thought his record as a labor boss left much to be desired.

Prosecutor Maag made an unusual comparison of Dale and Alexander the Great in his final argument to the jury at East St. Louis.

Maag pointed out that in July 1952 Dale had created one of the major work stoppages at Joppa by ordering 350 carloads of laborers off the job simply to back him up in a show of strength across the river at the Paducah plant.

Laborers there were questioning Dale's leadership. The 350 automobiles, loaded with laborers, paraded around the Joppa plant for 2 days, it was reported, until Dale regained command of the situation. Then they went back to work at Joppa.

"Alexander the Great conquered nations with fewer men," Maag told the jury.

FORTY WORK STOPPAGES

The work stoppage was one of more than 40 that occurred at Joppa in 1951, 1952 and 1953. The job became so hopelessly bogged down that Ebasco Services, a segment of the old Electric Bond and Share Co., powerful New York utility, finally surrendered the contract in July 1953.

While continuing to deny any wrongdoing at Joppa, Dale acknowledged to the Post-Dispatch that some complaints of featherbedding and slowdowns by unionists were justified.

"These are the sins of the cost-plus contracts of World War II," he declared. "The abuses became widespread because contractors, always anxious to pad their costs, encouraged them. Now that my boys have got accustomed to these things it's hard to make them change their ways."

POWER FOR PADUCAH PLANT

The Atomic Energy Commission ordered the Joppa and Shawnee plants built to supply 1,000,000 kilowatts of power to the Paducah installation, which produces fissionable uranium-235 from natural uranium by a gaseous diffusion process. In 1950 this was said to be the biggest around-the-clock load of energy in the world for a single plant.

Later, as the United States stepped up the pace in the race with Russia in stockpiling atomic material, the load planned for Paducah was almost doubled. One-fourth of the additional load was assigned to Electric Energy, Inc., utility combine operating the Joppa plant, and the other three-fourths was ordered from the TVA-operated Shawnee plant.

The importance of completing the Paducah plant and also additions to the atomic energy facility at Oak Ridge, Tenn., was pointed out by Gordon H. Dean when he was chairman of the AEC in July 1952.

Outlining plans for a rapid acceleration of construction, he said: "The purpose of this expansion program is to gain precious time by achieving minimum stockpile objectives established by the Department of Defense, and to achieve them about 4½ years earlier than we would achieve them if we went at our present rate."

During the years of strife the reasons given for the many jurisdictional disputes and other labor troubles were vague and varied. Pipefitters and laborers would walk out and set up picket lines in disputes over unloading pipes, controversies that Joppa management thought had been settled on previous jobs. Some walkouts were never explained.

BATEMAN IN MANY DISPUTES

Bateman, business agent of a Murphysboro, Ill., AFL pipefitters union, was in the middle of many skirmishes with management and other unions. He was elected head of a council of business agents to rule on jurisdictional disputes in November 1951, but the work stoppages continued.

Next to Dale the most important figure in the labor troubles affecting the atomic installations was Sanders, business agent of the Paducah local of the AFL ironworkers union. He waged warfare with Dale in a struggle described by on-the-spot observers as a clash of strong personalities.

Like Dale, Sanders had his loyal following who paraded about Joppa and Paducah to indicate they were solidly in back of him. About 1,000 carloads of ironworkers and friends, many wearing Kentucky string ties in imitation of their leader, formed a motorcade at Joppa in October 1953 to show their defiance of his enemies.

Sanders, a talkative Kentuckian, remained in the saddle as long as Ebasco Services was handling the construction at Joppa. But when he ignored an order by J. H. Lyons, president of the International Iron Workers' Union, to end a strike by the iron workers after the Bechtel Corp., of San Francisco, took over in September 1953, the international expelled him.

[From the St. Louis Post-Dispatch of December 21, 1954]

DALE GETS 15 YEARS, FINED $10,000 IN RACKET CASE; BATEMAN IS FINED $2,000—ILLINOIS LABOR BOSS A MENACE TO UNION CAUSE, JUDGE WHAM SAYS—CODEFENDANT PLACED ON PROBATION FOR 5 YEARS—CHARGES INVOLVED SHAKEDOWN ATTEMPTS AT JOPPA PROJECT

Evan R. Dale, powerful southern Illinois labor boss and formerly a Republican political leader, was sentenced to 15 years in prison and fined $10,000 today on charges of labor racketeering by United States District Judge Fred L. Wham at East St. Louis.

Judge Wham, in pronouncing sentence, described the stout, stolid Dale as "a menace to the union-labor movement, to the State, and to the men you represented."

He ordered Dale taken into custody, declaring he was doing this so that the labor boss would disassociate himself from all power immediately. A request that Dale be admitted to bond pending appeal was denied.

BATEMAN FINED

Dale's codefendant in the case, James Bateman, business agent of a Murphysboro, Ill., pipefitters' union, was fined $2,000. He received no prison sentence but was placed on probation for a period of 5 years.

Bateman was ordered to disassociate himself from any leadership in his union or any other union for the probation period. He was given 60 days in which to pay the fine.

Dale's sentence was imposed on each of three counts, charging him with interfering with interstate commerce by attempting to extort $1,030,000 from a contractor on a Joppa, Ill., atomic energy power facility and by extorting $7,500 from a subcontractor on the same job. The sentences will be served concurrently.

Bateman, who wept after hearing sentence imposed, was charged only in two counts with participating in the attempted $1,030,000 shakedown of the Joppa general contractor, Ebasco Services, Inc., of New York City.

Maximum penalty on each count is 20 years' imprisonment and a $10,000 fine.

The small courtroom on the second floor of the East St. Louis Federal Building, was packed with spectators as Judge Wham prepared to sentence Dale and Bateman. About half were women and most appeared to be friends of the defendants.

ATTENTION TO BATEMAN

The tall, ramrod-straight judge, looking stern and thoughtful, directed his attention to the 63-year-old Bateman first.

Bateman was the less important of the two defendants from the standpoint of public interest, he observed, and the evidence presented against him had been slight. A presentence investigation showed he had a good reputation in his home town, the judge said.

"He stayed on the fringe of the light cast by Dale's bold operations," said Judge Wham. "His connection with the whole picture are dim."

Then the judge pronounced sentence on Bateman. The graying defendant wept at first as he returned to his seat in the courtroom, but later accepted congratulations from friends in the hallway outside, appearing elated that he had escaped a more serious penalty.

As Assistant United States Attorney Edward G. Maag began stating the Government's position in the case of Dale, Judge Wham leaned back in his chair and meditatively held a hand to his face.

EIGHT INDICTMENTS CITED

Maag referred to eight indictments charging racketeering and income-tax evasion which have been returned against Dale.

"The very number of indictments screams at this man that he is a menace to the men he represents and the people of his district," he said. "The Government feels that a substantial sentence should be imposed in his case, and that bail should be denied him pending appeal."

The bulky, 38-year-old Dale, shifting his weight from foot to foot, looked subdued as Maag and Defense Attorney John J. Hoban discussed his case. He kept his eyes on the floor most of the time, occasionally lifting them toward the bench.

Hoban announced the defense would appeal and requested bond. He contended that, even if the facts alleged in the case were true, they did not constitute a violation of the Federal Antiracketeering Act, the statute under which the charge was brought.

JUDGE LOOKS ANGRY

Judge Wham looked angry as he began pronouncing sentence on Dale.

"Dale has been disloyal to the men he represented," the judge said, speaking slowly. "He has been responsible for an increase in costs of public and private works in southern Illinois amounting to millions of dollars.

"He has a faculty for installing fear of physical violence in people. He has never failed to profit in full from use of his abilities along this line."

Then, looking directly at the reddening defendant, he said:

"I think you are a menace to the union-labor movement, to property and to the contractors of southern Illinois, and have been for a long time. You deserve a severe sentence."

Dale was obviously shocked as Judge Wham read off the sentence of 15 years and the fine of $10,000. His face showed little emotion, but he was perspiring and kept wiping a hand across his face.

The court took a recess and Dale was led by a deputy sheriff across the hall from the courtroom to a small holdover cell. Friends crowded into an anteroom and some spoke consoling words.

Dale issued a statement to the press, handing to reporters the statement typed on a piece of paper attached to his business card.

It said: "December 21, 1954.—I now believe labor's interests and labor's trust can never be served by the Republican Party."

HAD BEEN GOP LEADER

The statement amounted to Dale's official declaration of severance of ties with the party. He had been a member since 1940. In the last 14 years he has been a down-State Illinois political leader, heading Republican labor groups and working with the Republican National Committee in formulating the party's labor policies.

Hoban announced he would ask the United States Circuit Court of Appeals at Chicago to direct that Dale be admitted to bail pending a decision on an appeal of the case.

Dale, who lives at Carbondale, Ill., and has offices there and at Cairo, Ill., later was taken by deputy marshals to city jail in St. Louis, where he will await transfer to a Federal prison or will bide his time until the appeal is decided.

CONVICTED DECEMBER 7

Dale and Bateman were convicted December 7 by a jury of 6 men and 6 women following a trial which lasted 7 days.

They were the 13th and 14th labor bosses to be found giulty of Federal charges in Missouri and Illinois as the result of grand-jury action which followed an intensive investigation of labor racketeering by the Post-Dispatch in the summer of 1951.

The trial opened with the Government presenting a key witness, Thomas J. Scott, resident construction engineer for the Maxon Construction Co., of Dayton, Ohio. The company had an $800,000 contract to build dock facilities at Joppa.

Both Scott and Edgar M. (Cap) Stephens, a Cairo, Ill., contractor, set the stage for testimony about the big conspiracy—the allegation that Dale and Bateman attempted to extort the $1,030,000 from Ebasco Services—by testifying about payoffs of $7,500 and $2,916 they made to Dale.

The witnesses said Dale told them the customary way of doing business with labor in southern Illinois was by paying off at the rate of 1 percent of the contract.

CONFERENCE IN CAIRO

The Government then presented witnesses who testified about a conference at the Embassy Club in Cairo, attended by Dale, Bateman and representatives of Ebasco Services

and Electric Energy, Inc., a utility combine for whom the Joppa plant was constructed.

They said that Dale made it known, through implied threats and innuendo, that the only way Ebasco could finish building the $197 million Joppa plant was to pay off. The $1,030,000 figure was presented as being 1 percent of the estimated contract at that time. Costs soared after that and additional facilities were constructed.

Officials of the two big companies said they decided against meeting the shakedown demand. A series of work stoppages, most of them caused by jurisdictional disputes among unions, had already begun when the meeting with Dale took place August 20, 1951.

The work stoppages continued until more than 40 had occurred. In July 1953 Electric Energy, Inc., took the construction contract away from Ebasco Services and turned it over to the Bechtel Corp. of San Francisco.

Dale wielded the greatest power of any labor leader in charge of providing workmen for the Joppa plant. In January 1951 he was placed in charge of a pool of 38,000 common laborers and had the responsibility of channeling them into work constructing not only Joppa, but two associated plants, the atomic-energy gaseous diffusion plant at Paducah, Ky., and the TVA power plant at Shawnee, Ky.

He had made his weight felt in downstate labor and political circles since 1938 when he became president of the laborers' Southern Illinois District Council. This gave him jurisdiction over 19 Illinois and 4 Kentucky counties.

Bateman was one of Dale's close associates at Joppa. In November 1951 he was elected head of a business agents' council set up to rule on jurisdictional disputes. The council's actions had little effect on halting the work stoppages however.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3828) to adjust the salaries of judges of United States courts, United States attorneys, Members of Congress, and for other purposes.

EXECUTIVE SESSION

Mr. CLEMENTS. 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 MESSAGES REFERRED

The PRESIDING OFFICER (Mr. PASTORE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

Maj. Gen. Laurin Lyman Williams, United States Army, for appointment as Comptroller of the Army, with the rank of lieutenant general, and as lieutenant general in the Army of the United States;

Lt. Gen. Anthony Clement McAuliffe, Army of the United States (major general, U. S. Army), for appointment as commander in chief, United States Army, Europe, with the rank of general, and as general in the Army of the United States; and

Rear Adm. James S. Russell, United States Navy, to be Chief of the Bureau of Aeronautics in the Department of the Navy.

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

Trevor Gardner, of California, to be an Assistant Secretary of the Air Force.

By Mr. HILL, from the Committee on Labor and Public Welfare:

Boyd Leedom, of South Dakota, to be a member of the National Labor Relations Board, vice Albert Cummins Beeson, term expired.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. ERVIN. Mr. President, from the Committee on Armed Services I report favorably a group of 15,684 nominations, consisting of 692 routine nominations in the Army and Air Force in the grades of Major and below, and 14,992 routine nominations in the Navy and Marine Corps in the grades of captain and below. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the executive calendar of this large group, it is requested that these nominations be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDING OFFICER. The nomination will lie on the desk, as requested by the Senator from North Carolina.

CONVENTIONS WITH JAPAN AND BELGIUM RELATING TO TAXES ON INCOME, ESTATES, INHERITANCES, GIFTS, AND SUCCESSION

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Senate as in Committee of the Whole, proceed to the consideration of Executive D, Executive E, and Executive G, 83d Congress, 2d session. The first two are conventions with Japan and Executive G is a convention with Belgium. They are all similar, and I ask unanimous consent that they be considered en bloc.

Mr. KNOWLAND. Mr. President, I have no objection to having the three treaties considered and discussed together, inasmuch as they all deal with the general subject of double taxation, and so forth. However, in conformity with our prior understanding in the Senate, I believe, so far as the actual ratification of the treaties is concerned, there should be a separate yea-and-nay vote on each convention. With that understanding, I have no objection to their being considered and discussed at the same time.

Mr. CLEMENTS. My unanimous-consent request was only that they be considered en bloc.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the following conventions:

CONVENTION WITH JAPAN RELATING TO TAXES ON INCOME

Executive D, 83 Congress, 2d session, convention with Japan relating to taxes on income, signed at Washington on April 16, 1954, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND JAPAN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United States of America and the Government of Japan, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

Mr. Walter Bedell Smith, Acting Secretary of State of the United States of America, and

The Government of Japan:

Mr. Sadao Iguchi, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America,

who, having communicated to one another their respective full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

(1) The taxes referred to in the present Convention are:

(a) In the case of the United States of America: The Federal income taxes, including surtaxes.

(b) In the case of Japan: The income tax and the corporation tax.

(2) The present Convention shall also apply to any other tax on income or profits which has a character substantially similar to those referred to in paragraph (1) of this Article and which may be imposed by either contracting State after the date of signature of the present Convention.

ARTICLE II

(1) As used in the present Convention:

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) The term "Japan", when used in a geographical sense, means all the territory in which the laws relating to the taxes referred to in paragraph (1) (b) of article I are enforced.

(c) The term "permanent establishment" means an office, factory, workshop, branch, warehouse or other fixed place of business, but does not include the casual and temporary use of merely storage facilities. It also includes an agency if the agent has and habitually exercises a general authority to negotiate and conclude contracts on behalf of an enterprise or has a stock of merchandise from which he regularly fills orders on its behalf. An enterprise of one of the contracting States shall not be deemed to have a permanent establishment in the other contracting State merely because it carried on business dealings in such other State through a bona fide commission agent, broker, custodian or other independent agent acting in the ordinary courses of his business as such. The fact that an enterprise of one of the contracting States maintains in the other contracting State a fixed place of business exclusively for the purchase for such enterprise of goods or merchandise shall not of itself constitute such fixed place of business a permanent establishment of such enterprise. The fact that a corporation of one of the contracting States has a subsidiary corporation which is a corporation of the other contracting

State or which is engaged in trade or business in the other contracting State shall not of itself constitute that subsidiary corporation a permanent establishment of its parent corporation.

(d) The term "enterprise of one of the contracting States" means, as the case may be, United States enterprise or Japanese enterprise.

(e) The term "United States enterprise" means an industrial or commercial enterprise or undertaking carried on in the United States by a resident (including an individual, a fiduciary and partnership) of the United States or by a United States corporation or other entity; and the term "United States corporation or other entity" means a corporation or other entity created or organized under the law of the United States or of any State or Territory of the United States.

(f) The term "Japanese enterprise" means an industrial or commercial enterprise or undertaking carried on in Japan by an individual resident in Japan or by a Japanese corporation or other entity; and the term "Japanese corporation or other entity" means a corporation or other association having juridical personality, or a partnership or other association without juridical personality, created or organized under the laws of Japan.

(g) The term "tax" means those taxes referred to in paragraph (1) (a) or (b) of Article I, as the context requires.

(h) The term "competent authorities" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury; and, in the case of Japan, the Minister of Finance or his authorized representative.

(i) The term "industrial or commercial profits" includes manufacturing, mercantile, agricultural, fishing, mining, financial and insurance profits, but does not include income in the form of dividends, interest, rents or royalties, or remuneration for personal services.

(2) In the application of the provisions of the present Convention by either contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under the laws of such State relating to the tax.

ARTICLE III

(1) An enterprise of one of the contracting States shall not be subject to the tax of the other contracting State in respect of its industrial or commercial profits unless it has a permanent establishment situated in such other State. If it has such permanent establishment such other State may impose its tax upon the entire income of such enterprise from sources within such other State.

(2) In determining the tax of one of the contracting States no account shall be taken of the mere purchase of merchandise therein by an enterprise of the other contracting State.

(3) Where an enterprise of one of the contracting States has a permanent establishment situated in the other contracting State, there shall be attributed to such permanent establishment the industrial or commercial profits which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions and dealing on an independent basis with the enterprise of which it is a permanent establishment.

(4) In determining the industrial or commercial profits of a permanent establishment there shall be allowed as deductions all expenses wherever incurred, reasonably allocable to such permanent establishment, including executive and general administrative expenses so allocable.

(5) The competent authorities of both contracting States may, consistent with other provisions of the present Convention, arrange details for the apportionment of industrial or commercial profits.

ARTICLE IV

Where an enterprise of one of the contracting States, by reason of its participation in the management or the financial structure of an enterprise of the other contracting State, makes with or imposes on the latter enterprise, in their commercial or financial relations, conditions different from those which would be made with an independent enterprise, any profits which would normally have been allocable to one of the enterprises, but by reason of such conditions have not been so allocated, may be included in the profits of such enterprise and taxed accordingly.

ARTICLE V

(1) Notwithstanding the provisions of Article III and Article IV of the present Convention, income which an enterprise of one of the contracting States derives from the operation of ships or aircraft registered

(a) in such State, or

(b) in a third country which exempts (A) such enterprise, and (B) an enterprise of the other contracting State, from its tax on earnings derived from the operation of ships or aircraft, as the case may be, registered in the respective States,

shall be exempt from the tax of such other contracting State.

(2) The present Convention shall not be construed to affect the arrangement between the Government of the United States and the Government of Japan providing for relief from double taxation on shipping profits effected by the exchange of notes at Washington dated March 31, 1926 and June 8, 1926.

ARTICLE VI

The rate of tax imposed by one of the contracting States on interest on bonds, securities, notes, debentures or any other form of indebtedness (including mortgages or bonds secured by real property) received from sources within such State by a resident or corporation or other entity of the other contracting State not having a permanent establishment in the former State shall not exceed 15 percent.

ARTICLE VII

The rate of tax imposed by one of the contracting States on royalties and other amounts received as consideration for the right to use copyrights, artistic and scientific works, patents, designs, secret processes and formulae, trade-marks and other like property (including in such royalties and other amounts, rentals and like payments in respect of motion-picture films or for the use of industrial, commercial, or scientific equipment) from sources within such State by a resident or corporation or other entity of the other contracting State not having a permanent establishment in the former State shall not exceed 15 percent.

ARTICLE VIII

A resident or corporation or other entity of one of the contracting States deriving

(a) income from real property (including gains derived from the sale or exchange of such property, but not including interest from mortgages or bonds secured by real property), or

(b) royalties in respect of the operation of mines, quarries or other natural resources

situated within the other contracting State may elect, for any taxable year, to be subject to the tax of such other State on a net basis as if such resident or corporation or other entity had a permanent establishment in such other State during such taxable year.

ARTICLE IX

An individual resident of one of the contracting States shall be exempt from the tax of the other contracting State upon compensation for labor or personal services (including the practice of liberal professions) performed in such other State in any taxable year if such resident is temporarily present in such other State:

(a) for a period or periods not exceeding a total of 180 days during such taxable year and his compensation is received for such labor or personal services performed as an officer or employee of a resident or corporation or other entity of the former State, or

(b) for a period or periods not exceeding a total of 90 days during such taxable year and his compensation received for such labor or personal services does not exceed 3,000 United States dollars, or the equivalent sum in yen as computed at the official basic rate of exchange in effect at the time such compensation is paid.

ARTICLE X

(1) (a) Salaries, wages and similar compensation paid by the United States to an individual who is a citizen of the United States (other than an individual who has been admitted to Japan for permanent residence therein) shall be exempt from tax by Japan.

(b) Salaries, wages and similar compensation paid by Japan to an individual who is a national of Japan (other than an individual who has been admitted to the United States for permanent residence therein) shall be exempt from tax by the United States.

(2) The provisions of this article shall not apply to salaries, wages, or similar compensation paid in respect of services rendered in connection with any trade or business carried on by either of the contracting States for purposes of profit.

ARTICLE XI

A resident of one of the contracting States, who, in accordance with agreements between the Governments of the contracting States or between educational establishments in the contracting States for the exchange of professors and teachers, or at the invitation of the Government of the other contracting State or of an educational establishment in such other State, temporarily visits such other State for the purpose of teaching for a period not exceeding two years at a university, college, school or other educational institution in such other State, shall be exempt from the tax of such other State on his remuneration for such teaching for such period.

ARTICLE XII

(1) A resident of one of the contracting States who is temporarily present in the other contracting State solely as a student at a recognized university, college or school in such other State, shall be exempt from the tax of such other State with respect to remittances from abroad (including payments, if any, by his employer abroad).

(2) A resident of one of the contracting States who is a recipient of a grant, allowance or award from a religious, charitable, scientific, literary or educational organization of such State and who is temporarily present in the other contracting State, shall be exempt from the tax of such other State on such grant, allowance or award remitted from abroad (other than compensation for personal services).

(3) A resident of one of the contracting States who is an employee of, or under contract with, an enterprise of such State or an organization referred to in paragraph (2) of this Article, and who is temporarily present in the other contracting State for a period not exceeding one year solely to acquire technical, professional or business experience from a person other than such enterprise or organization, shall be exempt from the tax of such other State on compensation from abroad paid by such enterprise or organization for his services rendered during such period, if the amount of compensation paid by such enterprise or organization for his services during such period, when computed

on the annual basis, does not exceed 6,000 United States dollars, or the equivalent sum in yen as computed at the official basic rate of exchange in effect at the time such compensation is paid.

ARTICLE XIII

For the purpose of the present Convention:

(a) Dividends paid by a corporation of one of the contracting States shall be treated as income from sources within such State.

(b) Interest paid by one of the contracting States including local Government thereof or by an enterprise of one of the contracting States not having a permanent establishment in the other contracting State shall be treated as income from sources within the former State.

(c) Gains, profits and income derived from the purchase and sale of personal property shall be treated as derived from the country in which such property is sold.

(d) Gains, profits and income derived from the sale by a taxpayer in one of the contracting States of goods manufactured in the other contracting State in whole or in part by such taxpayer shall be treated as derived in part from the country in which manufactured and in part from the country in which sold, and to the extent such gains, profits and income are not allocable under other provisions of the present Convention they shall be allocated between both contracting States in accordance with such taxpayer's relative sales and property in the respective countries.

(e) Income from real property (including gains derived from the sale or exchange of such property, but not including interest from mortgages or bonds secured by real property) and royalties in respect of the operation of mines, quarries, or other natural resources shall be treated as income derived from the country in which such real property, mines, quarries or other natural resources are situated.

(f) Compensation for labor or personal services (including the practice of liberal professions) shall be treated as income from sources within the country where are rendered the services for which such compensation is paid.

(g) Royalties for using, or for the right to use, in one of the contracting States, patents, copyrights, designs, trademarks and like property shall be treated as income from sources within such State.

ARTICLE XIV

It is agreed that double taxation shall be avoided in the following manner:

(a) The United States, in determining the tax of its citizens, residents or corporations or other entities may, regardless of any other provision of the present Convention, include in the basis upon which such tax is imposed all items of income taxable under the revenue laws of the United States as if the present Convention had not come into effect. The United States shall, however, subject to the provisions of section 131 of the Internal Revenue Code as in effect on the first day of January 1954, deduct from its tax the amount of the tax of Japan. In determining the credit under the said section 131 of the Internal Revenue Code, any interest received from an enterprise of the United States with a permanent establishment in Japan shall be treated as income from sources within Japan to the extent so treated under the laws of Japan, if the debt with respect to which such interest is paid is made in connection with the business of such permanent establishment of such enterprise.

(b) Japan, in determining the tax of its residents or corporations or other entities may, regardless of any other provision of the present Convention, include in the basis upon which such tax is imposed all items of income taxable under the tax laws of Japan as if the present Convention had not come into effect. Japan shall, however, deduct from its tax so calculated the amount of the tax of the United States upon income from sources within the United States and included for the taxes of both contracting States, but in an amount not exceeding that proportion of the tax of Japan which such income bears to the entire income subject to the tax of Japan.

(c) In determining the taxes of the contracting States of a recipient, who is a citizen, resident or corporation or other entity of the United States, of a dividend from a Japanese corporation, in so far as the tax of Japan imposed on income or profits of a corporation out of which a dividend is paid is deemed under the tax laws of Japan to have been imposed on a recipient of such dividend:

(i) The United States shall deem that such recipient has paid with respect to such dividend the tax of Japan in an amount equal to 25 percent of the amount of such dividend, and deduct, under the provisions of paragraph (a) of this Article, from its tax the amount of the tax of Japan so deemed to have been paid provided the recipient includes in gross income the amount of tax thus deemed to have been paid, and

(ii) Japan shall impose with respect to such dividend received by such recipient (except as such recipient is a resident of or has a permanent establishment in Japan) no tax other than the tax imposed on income or profits of the corporation out of which such dividend is paid.

ARTICLE XV

(1) Organizations organized under the laws of Japan and operated exclusively for religious, charitable, scientific, literary or educational purposes shall, to the extent and subject to conditions provided in the United States Internal Revenue Code, be exempt from the tax of the United States.

(2) Organizations organized under the laws of the United States and operated exclusively for religious, charitable, scientific, literary or educational purposes shall, to the extent and subject to conditions provided in the tax laws of Japan, be exempt from the tax of Japan.

ARTICLE XVI

(1) There shall be allowed, for the purposes of the tax of the United States, in the case of a resident of Japan who is a nonresident of the United States (other than an officer or employee of the Government of Japan), in addition to the exemption provided in section 214 of the United States Internal Revenue Code as in effect on the first day of January 1954, a credit against net income, subject to the conditions prescribed in section 25 of the Internal Revenue Code as in effect on the said date, for the spouse of the taxpayer and for each child of the the taxpayer who are present in the United States and residing with him in the United States at any time during the taxable year, but such additional credit shall not exceed that proportion thereof which the taxpayer's gross income from sources within the United States for the taxpayer's taxable year bears to his entire income from all sources for the fiscal or calendar year in which ends such taxable year.

(2) For the purposes of the tax of Japan, there shall be allowed in the case of a citizen of the United States who is a resident of Japan the same exemptions for a dependent of dependents as those granted to a national of Japan who is a resident of Japan.

ARTICLE XVII

(1) The competent authorities of both contracting States shall exchange such information available under the respective tax laws of both contracting States as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or for the administration of statutory provisions against tax avoidance in relation to the tax. Any information so exchanged shall be treated as secret and shall not be disclosed to any person other than those, including a court, concerned with the assessment and collection of the tax or the determination of appeals in relation thereto. No information shall be exchanged which would disclose any trade, business, industrial or professional secret or any trade process.

(2) Each of the contracting States may collect the tax imposed by the other contracting State (as though such tax were the tax of the former State) as will ensure that the exemptions, reduced rates of tax or any other benefit granted under the present Convention by such other State shall not be enjoyed by persons not entitled to such benefits.

ARTICLE XVIII

Where a taxpayer shows proof that the action of the tax authorities of either contracting State has resulted, or will result, in double taxation contrary to the provisions of the present Convention, he shall be entitled to present the facts to the competent authorities of the contracting State of which he is a national or a resident, or, if the taxpayer is a corporation or other entity, to those of the contracting State under the laws of which it is created or organized. Should the taxpayer's claim be deemed worthy of consideration, the competent authorities of such State to which the facts are so presented shall undertake to come to an agreement with the competent authorities of the other contracting State with a view to equitable avoidance of the double taxation in question.

ARTICLE XIX

(1) The provisions of the present Convention shall not be construed to deny or affect in any manner the right of diplomatic and consular officers to other or additional exemptions now enjoyed or which may hereafter be granted to such officers.

(2) The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the contracting States in determining the tax of such State.

(3) Should any difficulty or doubt arise as to the interpretation or application of the present Convention, or its relationship to Conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement; it being understood, however, that this provision shall not be construed to preclude the contracting States from settling by negotiation any dispute arising under the present Convention.

(4) The competent authorities of both contracting States may prescribe regulations necessary to interpret and carry out the provisions of the present Convention and may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE XX

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Tokyo as soon as possible.

(2) The present Convention shall enter into force on the date of exchange of instruments of ratification and shall be applicable to income or profits derived during the taxable years beginning on or after the first day of January of the calendar year in which such exchange takes place.

(3) Either of the contracting States may terminate the present Convention at any time after a period of five years shall have expired from the date on which the present Convention enters into force, by giving to the other contracting State notice of termination, provided that such notice is given on or before the 30th day of June and, in such event, the present Convention shall cease to be effective for the taxable years be-

ginning on or after the first day of January of the calendar year next following that in which such notice is given.

In witness whereof, the undersigned Plenipotentiaries have signed the present Convention.

Done at Washington, in duplicate, in the English and Japanese languages, each text having equal authenticity, this sixteenth day of April, 1954.

For the United States of America:

WALTER BEDELL SMITH.

For Japan:

S. IGUCHI.

EMBASSY OF JAPAN,
Washington, D. C., April 16, 1954.

The Honorable WALTER BEDELL SMITH,
Acting Secretary of State,
Washington, D. C.

SIR: In proceeding today to the signature of the Convention between Japan and the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, I have the honor to enclose herewith, for the purpose of future reference, a memorandum confirming an understanding in regard to the interpretation of certain provisions of that Convention. I shall appreciate receiving from you an acknowledgment and confirmation of this statement of the understanding.

Accept, Sir, the assurances of my highest consideration.

S. IGUCHI.

(Enclosure: Memorandum.)

MEMORANDUM

It is understood that in the application of Article XIV and Articles XI and XII of the Convention between Japan and the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

(1) the provisions of Article XIV shall not be construed to deny the exemptions from the Japanese tax or the United States tax, as the case may be, granted by Article X (1), Article XI and Article XII;

(2) neither of the contracting States shall be precluded from taxing its own nationals or citizens with respect to income coming within Article XI or Article XII.

DEPARTMENT OF STATE,
Washington, D. C., April 16, 1954.

His Excellency SADAO IGUCHI,
Ambassador of Japan.

EXCELLENCY: I have the honor to acknowledge the receipt of your note dated today and to confirm the understanding, as set forth in the memorandum enclosed with that note, in regard to an interpretation of certain provisions of the Convention Between the United States of America and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed today.

Accept, Excellency, the assurances of my highest consideration.

WALTER BEDELL SMITH,
Acting Secretary of State.

CONVENTION WITH JAPAN RELATING TO TAXES ON ESTATES, INHERITANCES, AND GIFTS

Executive E, 83d Congress, 2d session, Convention with Japan relating to taxes on estates, inheritances, and gifts, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND JAPAN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES, INHERITANCES AND GIFTS

The Government of the United States of America and the Government of Japan, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances, and gifts, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

Mr. Walter Bedell Smith, Acting Secretary of State of the United States of America, and

The Government of Japan:

Mr. Sadao Iguchi, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America,

who, having communicated to one another their respective full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

(1) The taxes referred to in the present Convention are:

(a) In the case of the United States of America: The Federal estate and gift taxes.

(b) In the case of Japan: The inheritance tax (including the gift tax).

(2) The present Convention shall also apply to any other tax on estates, inheritances or gifts which has a character substantially similar to those referred to in paragraph (1) of this Article and which may be imposed by either contracting State after the date of signature of the present Convention.

ARTICLE II

(1) As used in the present Convention:

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) The term "Japan", when used in a geographical sense, means all the territory in which the laws relating to the tax referred to in paragraph (1) (b) of Article I are enforced.

(c) The term "tax" means those taxes referred to in paragraph (1) (a) or (b) of Article I, as the context requires.

(d) The term "competent authorities" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury; and, in the case of Japan, the Minister of Finance or his authorized representative.

(2) In the application of the provisions of the present Convention by either contracting State any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under the laws of such State relating to the tax.

(3) For the purposes of the present Convention, each contracting State may determine in accordance with its laws whether a decedent at the time of his death or a beneficiary of a decedent's estate at the time of such decedent's death, or a donor at the time of the gift or a beneficiary of a gift at the time of the gift, was domiciled therein or a national thereof.

ARTICLE III

(1) If a decedent at the time of his death or a donor at the time of the gift was a national of or domiciled in the United States, or if a beneficiary of a decedent's estate at the time of such decedent's death or a beneficiary of a gift at the time of the gift was domiciled in Japan, the situs at the time of the transfer of any of the following property or property rights shall, for the purpose of the imposition of the tax and for the purpose of the credit authorized by Article V, be determined exclusively in accordance with the following rules:

(a) Immovable property or rights therein (not including any property for which specific provision is otherwise made in this Article) shall be deemed to be situated at the place where the land involved is located.

(b) Tangible movable property (including currency and any other form of money recognized as legal tender in the place of issue and excepting such property for which specific provision is otherwise made in this Article) shall be deemed to be situated at the place where such property is physically located, or, if in transitu, at the place of destination.

(c) Debts (including bonds, promissory notes, bills of exchange, bank deposits and insurance, except bonds or other negotiable instruments in bearer form and such debts for which specific provision is otherwise made in this Article) shall be deemed to be situated at the place where the debtor resides.

(d) Shares or stock in a corporation shall be deemed to be situated at the place under the laws of which such corporation was created or organized.

(e) Ships and aircraft shall be deemed to be situated at the place where they are registered.

(f) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on.

(g) Patents, trade-marks, utility models and designs shall be deemed to be situated at the place where they are registered (or used in case they are not registered).

(h) Copyrights, franchises, rights to artistic and scientific works and rights or licenses to use any copyrighted material, artistic and scientific works, patents, trade-marks, utility models or designs shall be deemed to be situated at the place where they are exercisable.

(i) Mining or quarrying rights or mining leases shall be deemed to be situated at the place of such mining or quarrying.

(j) Fishing rights shall be deemed to be situated in the country in whose government's jurisdiction such rights are exercisable.

(k) Any property for which provision is not hereinbefore made shall be deemed to be situated in accordance with the laws of the contracting State imposing the tax solely by reason of the situs of property within such State, but if neither of the contracting States imposes the tax solely by reason of the situs of property therein, then any such property shall be deemed to be situated in accordance with the laws of each contracting State.

(2) The application of the provisions of paragraph (1) of this Article shall be limited to the particular property, and any portion thereof, which without such provisions would be subjected to the taxes of both contracting States or would be so subjected except for a specific exemption.

ARTICLE IV

Where one of the contracting States imposes the tax solely by reason of the situs of property within such State, in the case of a decedent who at the time of his death, or of a donor who at the time of the gift, was a national of or domiciled in the United States, or in the case of a beneficiary of a decedent's estate who at the time of such decedent's death, or a beneficiary of a gift who at the time of the gift, was domiciled in Japan, the contracting State so imposing the tax:

(a) shall allow a specific exemption which would be applicable under its laws if the decedent, donor, or beneficiary, as the case may be, had been a national of or domiciled in such State, in an amount not less than the proportion thereof which (A) the value of the property, situated according to Article III in such State and subjected to the taxes of both contracting States or which would be so subjected except for a specific exemption, bears to (B) the value of the total property which would be subjected to the tax of such State if such decedent, donor, or beneficiary had been a national of or domiciled in such State; and

(b) shall (except for the purpose of subparagraph (a) of this paragraph and for the purpose of any other proportional allowance

otherwise provided) take no account of property situated according to Article III outside such State in determining the amount of the tax.

ARTICLE V

(1) Where either contracting State imposes the tax by reason of the nationality thereof or the domicile therein of a decedent or a donor or a beneficiary of a decedent's estate or of a gift, such State shall allow against its tax (computed without application of this Article) a credit for the tax imposed by the other contracting State with respect to property situated at the time of the transfer in such other State and included for the taxes of both States (but the amount of the credit shall not exceed that portion of the tax imposed by the crediting State which is attributable to such property). The provisions of this paragraph shall not apply with respect to any property referred to in paragraph (2) of this Article.

(2) Where each contracting State imposes the tax by reason of the nationality thereof or the domicile therein of a decedent or a donor or a beneficiary, with respect to any property situated at the time of the transfer outside both contracting States (or deemed by each contracting State to be situated in its territory, or deemed by one contracting State to be situated in either contracting State and deemed by the other contracting State to be situated outside both contracting States or deemed by each contracting State to be situated in the other contracting State), each contracting State shall allow against its tax (computed without application of this Article) a credit for a part of the tax imposed by the other contracting State attributable to such property. The total of the credits authorized by this paragraph shall be equal to the amount of the tax imposed with respect to such property by the contracting State imposing the smaller amount of the tax with respect to such property, and shall be divided between both contracting States in proportion to the amount of the tax imposed by each contracting State with respect to such property.

(3) The credit authorized by this Article, if applicable, shall be in lieu of any credit for the same tax authorized by the laws of the crediting State, the credit applicable for the particular tax being either credit authorized by this Article or credit authorized by such laws, whichever is the greater. For the purposes of this Article, the amount of the tax of each contracting State attributable to any designated property shall be ascertained after taking into account any applicable diminution or credit against its tax with respect to such property (other than any credit under paragraph (1) or (2) of this Article), provided, however, in case another credit for the tax of any other foreign State is allowable with respect to the same property pursuant to any other Convention between the crediting State under the present Convention and such other foreign State, or pursuant to the laws of the crediting State, the total of such credits shall not exceed the amount of tax of the crediting State attributable to such property computed before allowance of such credits.

(4) Credit against the tax of one of the contracting States for the tax of the other contracting State shall be allowed under this Article only where both such taxes have been simultaneously imposed at the time of a decedent's death or at the time of a gift.

(5) No credit resulting from the application of this Article shall be allowed after more than five years from the due date of the tax against which credit would otherwise be allowed, unless claim therefor was filed within such five-year period. Any refund resulting from the application of this Article shall be made without payment of interest on the amount so refunded, unless otherwise specifically authorized by the crediting State.

(6) Credit against the tax of one of the contracting States shall not be finally allowed for the tax of the other contracting State until the latter tax (reduced by credit authorized under this Article, if any) has been paid.

ARTICLE VI

(1) The competent authorities of both contracting States shall exchange such information available under the respective tax laws of both contracting States as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or for the administration of statutory provisions against tax avoidance in relation to the tax. Any information so exchanged shall be treated as secret and shall not be disclosed to any person other than those, including a court, concerned with the assessment and collection of the tax or the determination of appeals in relation thereto. No information shall be exchanged which would disclose any trade, business, industrial or professional secret or any trade process.

(2) Each of the contracting States may collect the tax imposed by the other contracting State (as though such tax were the tax of the former State) as will ensure that the credit or any other benefit granted under the present Convention by such other State shall not be enjoyed by persons not entitled to such benefits.

ARTICLE VII

Where a representative of the estate of a decedent or a beneficiary of such estate or a donor or a beneficiary of a gift shows proof that the action of the tax authorities of either contracting State has resulted, or will result, in double taxation contrary to the provisions of the present Convention, such representative, donor or beneficiary shall be entitled to present the facts to the competent authorities of the contracting State of which the decedent was a national at the time of his death or of which the donor or beneficiary is a national, or if the decedent was not a national of either of the contracting States at the time of his death or if the donor or the beneficiary is not a national of either of the contracting States, to the competent authorities of the contracting State in which the decedent was domiciled or resident at the time of his death or in which the donor or beneficiary is domiciled or resident. Should the claim be deeemed worthy of consideration, the competent authorities of such State to which the facts are so presented shall undertake to come to an agreement with the competent authorities of the other contracting State with a view to equitable avoidance of the double taxation in question.

ARTICLE VIII

(1) The provisons of the present Convention shall not be construed to deny or affect in any manner the right of diplomatic and consular officers to other or additional exemptions now enjoyed or which may hereafter be granted to such officers.

(2) The provisions of the present Convention shall not be construed so as to increase the tax imposed by either contracting State.

(3) Should any difficulty or doubt arise as to the interpretation or application of the present Convention, or its relationship to Conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement; it being understood, however, that this provision shall not be construed to preclude the contracting States from settling by negotiation any dispute arising under the present Convention.

(4) The competent authorities of both contracting States may prescribe regulations necessary to interpret and carry out the provisions of the present Convention and may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE IX

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Tokyo as soon as possible.

(2) The present Convention shall enter into force on the date of exchange of instruments of ratification and shall be applicable to estates or inheritances in the case of persons who die on or after the date of such exchange and to gifts made on or after that date.

(3) Either of the contracting States may terminate the present Convention at any time after a period of five years shall have expired from the date on which the Convention enters into force, by giving to the other contracting State notice of termination, provided that such notice is given on or before the 30th day of June and, in such event, the present Convention shall cease to be effective for the taxable years beginning on or after the first day of January of the calendar year next following that in which such notice is given.

In witness whereof, the undersigned Plenipotentiaries have signed the present Convention.

Done at Washington, in duplicate, in the English and Japanese languages, each text having equal authenticity, this sixteenth day of April, 1954.

For the United States of America:

WALTER BEDELL SMITH.

For Japan:

S. IGUCHI.

CONVENTION WITH BELGIUM RELATING TO TAXES ON ESTATES AND SUCCESSIONS

Executive G, 83d Congress, 2d session, convention with Belgium relating to taxes on estates and successions, signed at Washington on May 27, 1954, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND BELGIUM FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES AND SUCCESSIONS

The Government of the United States of America and the Government of Belgium, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and successions, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

John Foster Dulles, Secretary of State of the United States of America, and

The Government of Belgium:

Baron Silvercruys, Ambassador Extraordinary and Plenipotentiary of Belgium at Washington,

who, have communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

(1) The taxes referred to in this Convention are the following:

(a) In the case of the United States of America: the Federal estate tax, and

(b) In the case of Belgium: the succession duty and the duty on transfer by death.

(2) The present Convention shall also apply to any other death duties of a substantially similar character imposed by either contracting State subsequently to the date of signature of the present Convention.

ARTICLE II

(1) As used in this Convention:

(a) The term "United States" means the United States of America, and when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.

(b) The term "Belgium" means the Kingdom of Belgium, excluding the Colony of the Belgian Congo and the territories under Belgian mandate.

(c) The term "tax" means the Federal estate tax imposed by the United States, or the succession duty or the duty on transfer by death imposed by Belgium, as the context requires.

(d) The term "competent authority" means, in the case of the United States, the Commissioner of Internal Revenue, as authorized by the Secretary of the Treasury, and in the case of Belgium, the Directeur General de l'Enregistrement et des Domains or his duly authorized representative.

(2) For the purposes of the present Convention, the question whether a decedent was at the time of his death a national of or domiciled in the United States or an inhabitant of Belgium, shall be determined in accordance with the law in force in such State.

(3) In the application of the provisions of the present Convention by one of the contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which such term has under its own law.

ARTICLE III

In the case of the death of a person who at the time of his death was a national of or domiciled in the United States or an inhabitant of Belgium, the situs of any of the following property or property rights shall, for the purposes of the imposition of the tax, and for the purposes of the credit authorized by Article V, be determined exclusively in accordance with the following rules:

(a) Real property shall be deemed to be situated at the place where the land involved is located. The question whether any property or right in property constitutes real property shall be determined in accordance with the law of the place where the land involved is located.

(b) Tangible personal property (other than such property for which specific provision is hereinafter made) and bank or currency notes and other forms of currency recognized as legal tender in the place of issue shall be deemed to be situated at the place where such property or currency is physically located at the time of death, or, if in transitu, at the place of destination.

(c) Debts (including indemnities, insurance and bonds but not including negotiable promissory notes, checks and bills of exchange for which provision is hereinafter made) shall be deemed to be situated at the place where the debtor resides, or, if the debtor is a corporation, at the place in or under the laws of which such corporation was created or organized.

(b) Bills of exchange and checks shall be deemed to be situated at the place of the drawee's residence, and negotiable promissory notes at the place of residence of the maker.

(e) Shares or stock in a corporation (including shares or stock held by a nominee where the beneficial ownership is evidenced by scrip certificates or otherwise) shall be deemed to be situated at the place in or under the laws of which such corporation was created or organized.

(f) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration or documentation of the ship or aircraft.

(g) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on.

(h) Patents, trade-marks and designs shall be deemed to be situated at the place where they are registered or, if not registered, where used.

(i) Copyrights, franchises, rights to artistic and scientific works and rights or licenses to use any copyrighted material, artistic and scientific works, patents, trade-marks or designs shall be deemed to be situated at the place where the rights arising therefrom are exercisable.

(j) Rights or causes of action ex delicto surviving for the benefit of an estate of a decedent shall be deemed to be situated at the place where such rights or causes of action arose.

(k) All property other than hereinbefore mentioned shall be deemed to be situated in the State in which the deceased person was domiciled at the time of his death.

ARTICLE IV

(1) If the United States imposes tax in the case of a decedent who at the time of his death was not a national of or domiciled therein but was an inhabitant of Belgium, the United States:

(a) shall allow a specific exemption, which would be allowable under its law if the decedent had been domiciled in the United States, in an amount not less than the proportion thereof which the value of the property subjected to its tax bears to the value of the property which would have been subjected to its tax if the decedent had been domiciled in the United States; and

(b) shall (except for the purpose of subparagraph (a) of this paaragraph and for the purpose of any other proportionate allowance otherwise provided) take no account of property situated according to Article III outside the United States in determining the amount or rate of tax.

(2) If Belgium imposes a tax in the case of a decedent who at the time of his death was not an inhabitant thereof but was a national of or domiciled in the United States, Belgium:

(a) shall allow a specific exemption which would be allowable under its law if the decedent had been an inhabitant of Belgium, in an amount not less than the proportion thereof which the value of the property subjected to its tax bears to the value of the property which would have been subjected to its tax if the decedent had been an inhabitant of Belgium; and

(b) shall (except for the purpose of subparagraph (a) of this paragraph and for the purpose of any other proportionate allowance otherwise provided) take no account of property situated according to Article III outside Belgium in determining the amount or rate of tax.

ARTICLE V

(1) If the United States determines that the decedent was a national of or domiciled in the United States at the time of his death, and Belgium determines that the decedent was an inhabitant of Belgium at the time of his death, each contracting State shall allow against its tax (computed without application of this Article) a credit for the tax imposed by the other contracting State with respect to property situated in such other contracting State and included for tax purposes by both States, but the amount of the credit shall not exceed the portion of the tax imposed by the former State which is attributable to such property. The provisions of this paragraph shall not apply with respect to any property referred to in paragraph (2) of this Article.

(2) If each contracting State imposes tax on any property situated outside both contracting States (or deemed situated in both contracting States), each contracting State shall allow against so much of its tax (computed without application of this Article) as is attributable to such property, a credit which bears the same proportion to the amount of its tax so attributable or to the amount of the other contracting State's tax attributable to the same property, whichever is the less, as the former amount bears to the sum of both amounts.

(3) The credit authorized by this Article, if applicable, shall be in lieu of any credit for the same tax authorized by statute of the crediting State, the credit applicable for the particular tax being either the credit authorized by this Article or the credit authorized by such statute, whichever benefit is the greater. For the purposes of this Article, the amount of the tax in each contracting State attributable to any particular property shall be ascertained after taking into account any applicable diminution or credit against its tax with respect to such property, other than the credit to be allowed under this Article, provided, however, in case credits are allowable with respect to the same property pursuant to any other Convention in force between the crediting State under this Convention and any other State or pursuant to a statute of the crediting State, the total of such credits shall not exceed the amount of tax of such crediting State attributable to such property computed before allowance of such credits.

(4) No credit or refund of any amount of tax resulting from the application of this Article shall be made after six years from the date of the decedent's death unless claim therefor was filed within such period. Any refund of tax resulting from the application of this Article shall be made without payment of interest on the amount so refunded.

(5) Credit against tax imposed by one of the contracting States shall not be finally allowed for tax imposed by the other contracting State until the latter tax (reduced by credit allowable under this Article, if any) has been paid.

ARTICLE VI

(1) The competent authorities of the contracting States shall exchange such information (being information available under the respective taxation laws of the contracting States) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or for the effective administration of the taxes which are the subject of the present Convention.

(2) Any information so exchanged shall be treated as secret and shall not be disclosed to any person other than the tax authorities of the contracting States. No information shall be exchanged which would disclose any trade secret or trade process.

ARTICLE VII

Where a taxpayer shows proof that the action of the tax administrations of the contracting States has resulted or will result in double taxation contrary to the provisions of this Convention, he shall be entitled (within a period of two years from the date of the notification of the tax which has been last asserted or proposed, or of the payment of the tax if such payment has been made prior to notification) to lodge a claim with the State of which he is a citizen, or, if he is not a citizen of either of the contracting States, with the State of which he is a domiciliary, or, if the taxpayer is a corporation or other juridical person, with the State in which it is created or organized. Should the claim be upheld, the competent authorities of the two contracting States shall come to an agreement with a view to equitable avoidance of the double taxation in question.

ARTICLE VIII

(1) The provisions of this Convention shall not be construed so as to increase the taxes imposed by the contracting States.

(2) Should any difficulty or doubt arise as to the interpretation or application of this Convention or its relationship to Conventions between one of the contracting States and any other State, the competent authorities of the contracting States may settle the question by mutual agreement.

(3) The competent authority of each contracting State may communicate directly with the competent authority of the other contracting State for the purpose of giving effect to the provisions of this Convention.

ARTICLE IX

(1) Either of the contracting States may, at the time of exchange of instruments of ratification or thereafter while the present Convention continues in force, by a written notification of extension given to the other contracting State through diplomatic channels, declare its desire that the operation of the present Convention, either in whole or as to such provisions thereof as may be deemed to have special application, shall extend to any of its colonies or overseas territories which imposes taxes substantially similar in character to those which are the subject of the present Convention.

(2) In the event that a notification is given by one of the contracting States in accordance with paragraph (1) of this Article, the present Convention, or such provisions thereof as may be specified in the notification, shall apply to any territory named in such notification with respect to the estates or successions of persons dying on or after the first day of January following the date of a written communication through diplomatic channels addressed to such contracting State by the other contracting State, after such action by the latter State as may be necessary in accordance with its own procedures, stating that such notification is accepted in respect to such territory. In the absence of such acceptance, none of the provisions of the present Convention shall apply to such territory.

(3) At any time after the expiration of one year from the effective date of an extension made by virtue of paragraphs (1) and (2) of this Article, either of the contracting States may, by a written notice of termination given to the other contracting State through diplomatic channels, terminate the application of the present Convention to any territory to which the Convention, or any of its provisions, has been extended. In that case, the present Convention, or the provisions thereof specified in the notice of termination, shall cease to be applicable to any of the territories named in such notice of termination with respect to the estates or successions of persons dying on or after the first day of January following the expiration of a period of six months after the date of such notice; provided, however, that this shall not affect the continued application of the Convention, or any of the provisions thereof, to the United States, to Belgium, or to any territory (not named in the notice of termination) to which the Convention, or such provision thereof, applies.

(4) For the application of the present Convention to any territory to which it is extended by the United States or by Belgium, references to "the United States" or to "Belgium" or to one or the other contracting State, as the case may be, shall be construed to refer to such territory.

(5) For the purposes of the present Convention, the Belgian Congo shall be considered to be a Belgian territory to which the provisions of this Article shall apply.

ARTICLE X

(1) This Convention shall be ratified and the instruments of ratification shall be exchanged at Brussels as soon as possible.

(2) This Convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to the estates or successions of persons dying on or after such date.

(3) This Convention shall remain in force for a period of five years beginning with such date and indefinitely after that period, but may be terminated by either of the contracting States at the end of the five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given.

Done at Washington, in duplicate, in the English and French languages, the two texts having equal authenticity, this twenty-seventh day of May, 1954.

For the Government of the United States of America:

[SEAL] JOHN FOSTER DULLES.

For the Government of Belgium:

[SEAL] SILVERCRUYS.

Mr. GEORGE. Mr. President, the Senate has before it Executive Report No. 3 dealing with three separate tax conventions, including an income tax convention with Japan—Executive D, 83d Congress, 2d session; an estate and gift tax convention with Japan—Executive E, 83d Congress, 2d session; and an estate tax convention with Belgium—Executive G, 83d Congress, 2d session. The two conventions with Japan were reported favorably by the Committee on Foreign Relations in the last session of Congress. These conventions were again reported favorably by the Committee on Foreign Relations on February 9, 1955, along with the convention with Belgium which was considered by the Committee for the first time in this session.

ESTATE TAX CONVENTION WITH BELGIUM

The convention with Belgium relating to taxes on estates and successions is generally similar to other death duty conventions which the Senate has previously approved, for example, conventions with the United Kingdom, Canada, France, Australia, and others.

ESTATE AND GIFT TAX CONVENTION WITH JAPAN

Similarly, the provisions of the convention with Japan relating to taxes on estates, inheritances, and gifts closely parallel provisions of other death duty conventions now in effect. The unusual feature of this convention is that it is the first treaty to combine provisions applicable to both estate and gift taxes in the same convention. There are now in effect between the United States and Australia both a gift tax convention and an estate tax convention. The pending convention with Japan, however, is the first dual estate and gift tax convention.

INCOME TAX CONVENTION WITH JAPAN

In the case of the income tax convention with Japan, there are several noteworthy features which should be called to the attention of the Senate. It was for the purpose of permitting a fuller discussion of these features that the Senate did not take action upon either of the Japanese tax treaties in the closing days of the last session of the Congress.

Attention should be called first to the principal provisions in the Japanese income tax convention which are particularly favorable to the United States. For example, there is provided a reciprocal exemption of shipping and aircraft operating profits. This provision which was contained in article V of the convention operates primarily in favor of the United States since the Japanese at the present time have no airlines in operation between Japan and the United States. Thus, the exemption of United States aircraft profits derived from operations in Japan is especially favorable to this country. The United States also has the greater preponderance of shipping operations between Japan and the United States so that exemption of the profits derived from shipping benefits the United States more than Japan at the present time.

In article VII of the convention there is provided a reciprocal limitation on the tax on outgoing royalties. The tax on such royalties may not exceed 15 percent. This provision results in a reduction of the Japanese withholding tax on film rentals from the present tax of 20 percent to the 15-percent maximum tax under this convention. At the present time most film rentals flow from Japan to the United States rather than in the tends to be particularly advantageous to reverse direction, so that this provision the United States.

In article X of the convention there is provided an exemption from Japanese tax of compensation paid by the United States Government to a citizen of the United States who is resident in Japan, unless the United States citizen has been admitted to Japan for permanent residence. This exemption is of particular importance to a number of United States citizens who are employed as technical experts in Japan by the United States but whose employment is not of such a nature as to bring it within the diplomatic immunity from tax. The exemption is a reciprocal one but it operates predominately in favor of the United States at the present time.

In article XIII of the convention there are provided certain rules for determining the source of income. These source rules are derived from the United States internal-revenue laws and regulations. Thus, it is significant that the rules for determining sources of income are those with which the United States taxpayers are generally familiar rather than Japanese concepts.

In article XIV of the convention there is a very important provision dealing with the credit for Japanese corporate dividends paid to United States citizens, corporations, or residents. This provision is not a reciprocal exemption. Thus, the United States withholding tax of 30 percent on dividends from United States corporations going abroad to Japanese citizens remains unaffected by the provision.

Under the convention, Japan agrees not to impose any witholding tax on dividends paid to a United States stockholder—unless the recipient is a resident of Japan or has a permanent establishment in Japan. At the present time Japan imposes a 20 percent withholding tax on outgoing dividends. This tax, however, is reduced to 10 percent if the investment tends to further the Japanese economy. Under the provisions of the convention described previously, Japan agrees to impose no withholding tax on outgoing dividends paid to United States recipients.

The convention also provides that with respect to United States recipients of dividends from Japanese corporations, the United States will grant a credit against its tax of 25 percent of the

amount of the dividend but only on the grossing-up principle, to borrow an English term. This provision is generally similar to provisions contained in tax treaties now in effect between the United States and Ireland and between the United States and the United Kingdom.

To illustrate the grossing-up principle, assume that a United States shareholder receives $100 of dividends from a Japanese corporation. If it is assumed that the United States shareholder is taxed on his income at an effective rate of 50 percent, he would compute his United States tax and the allowable credit for the dividend in the following manner: He would include the dividend of $100 in gross income; he would also then include in gross income 25 percent of the amount of the dividend, or $25. Thus, he would include in gross income a total of $125 with respect to the dividend, or more than the actual amount of the dividend. He must include this extra amount in order to get the benefit of the tax credit provided for in the treaty. The tax on this $125, at the effective rate of 50 percent, is $62.50. Against this tax the United States stockholder would receive a credit of 25 percent of $100, or $25. Thus, the United States tax attributable to the $100 Japanese dividend would be $37.50.

This grossing-up principle has the effect of decreasing the advantage of the tax credit as the taxpayer goes into a higher bracket of tax liability. Thus, assume that the United States recipient of the $100 Japanese dividend is in a higher bracket so that he might be taxed, for example, at an effective rate of 85 percent. In this case, he would again have gross income of $125, but his United States tax attributable to the Japanese dividend would be $106.25. Against this tax he would receive a credit of $25, so that he would pay a total United States tax with respect to a Japanese dividend of $81.25. Thus, out of the $100 Japanese dividend he would have left, after paying United States taxes, only $18.75.

This latter example may be compared with a United States citizen who receives a dividend from a domestic corporation. With respect to a $100 dividend from a domestic corporation—leaving out of consideration the dividend exclusion—there would be imposed at an effective tax rate of 85 percent a tax of $85. Against this tax the individual would receive a tax credit of 4 percent of the amount of the dividend, or $4. Thus, the tax attributable to the United States dividend at the 85 percent effective rate would be $81. The individual would thus have $19 remaining on his $100 United States dividend as compared with $18.75 if the dividend had been received from a Japanese corporation.

As indicated earlier, this grossing up principle is similar to that employed in other tax conventions with respect to dividends received by United States recipients from corporations which are entities of the other contracting country.

On balance, Mr. President, it seems very clear that the treaty or tax convention with Japan is more favorable, or at least equally favorable, to the United States than it is to the Japanese citizen who is similarly affected.

The whole purpose of the first treaty with Japan, which I described briefly, and of the Belgium treaty, is really to avoid double taxation in the case of estate and death taxes.

I believe it is agreed that these conventions may be considered together, but a separate vote is desired on each one of them.

The PRESIDING OFFICER. Without objection, the pending conventions will be considered as having passed through their various parliamentary stages up to the point of the consideration of the resolutions of ratification.

CONVENTION WITH JAPAN RELATING TO TAXES ON INCOME

The clerk will first read the resolution of ratification of Executive D, the convention with Japan relating to taxes on income.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, 83d Congress, 2d session, a convention between the United States of America and Japan for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington April 16, 1954.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is, Will the Senate advise and consent to the resolution of ratification?

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate to attend the atomic energy tests in Nevada.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate to attend the inauguration of the President of Cuba.

The Senator from Texas [Mr. JOHNSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent by leave of the Senate because of illness.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate to attend his 25th anniversary celebration in the State of Washington.

I further announce that on this vote the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MALONE] and the Senator from Iowa [Mr. MARTIN] are absent on official business.

I also announce that the Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate to attend the inaugural ceremonies of the President of Cuba.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senators from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. HRUSKA], the Senator from Iowa [Mr. MARTIN] and the Senator from Maine [Mrs. SMITH] would each vote "yea."

The yeas and nays resulted: Yeas 72, nays 0, as follows:

YEAS—72

Aiken	Frear	Morse
Barkley	Fulbright	Mundt
Barrett	George	Murray
Beall	Goldwater	Neely
Bennett	Gore	Neuberger
Bush	Hayden	Pastore
Butler	Hennings	Payne
Byrd	Hill	Potter
Carlson	Holland	Purtell
Case, N. J.	Ives	Russell
Case, S. Dak.	Jackson	Saltonstall
Chavez	Jenner	Schoeppel
Clements	Johnston, S. C.	Scott
Cotton	Kerr	Smathers
Curtis	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Lehman	Symington
Duff	Long	Thurmond
Dworshak	Mansfield	Thye
Eastland	Martin, Pa.	Watkins
Ellender	McClellan	Welker
Ervin	Millikin	Williams
Flanders	Monroney	Young

NOT VOTING—24

Allott	Hickenlooper	Malone
Anderson	Hruska	Martin, Iowa
Bender	Humphrey	McCarthy
Bible	Johnson, Tex.	McNamara
Bricker	Kefauver	O'Mahoney
Bridges	Kennedy	Robertson
Capehart	Langer	Smith, Maine
Green	Magnuson	Wiley

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTION WITH JAPAN RELATING TO TAXES ON ESTATES, INHERITANCES, AND GIFTS

Mr. KNOWLAND. Mr. President, I urge all Senators to remain in the Chamber, for we have two additional treaties to consider. They have already been gone into and explained by the chairman of the Foreign Relations Committee, the distinguished senior Senator from Georgia [Mr. GEORGE]. If Senators will remain in the Chamber, we shall be able to complete the ratification of the treaties.

The PRESIDING OFFICER. The resolution of ratification of Executive E will now be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, 83d Congress, 2d session, a convention between the United States of America and Japan for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances, and gifts, signed at Washington on April 16, 1954.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Michigan [Mr. NCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate to attend the atomic energy tests in Nevada.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate to attend the inauguration of the President of Cuba.

The Senator from Texas [Mr. JOHNSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent by leave of the Senate because of illness.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate to attend his 25th anniversary celebration in the State of Washington.

I further announce that on this vote the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MALONE], and the Senator from Iowa [Mr. MARTIN] are absent on official business.

I also announce that the Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate to attend the inaugural ceremonies of the President of Cuba.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

If present and voting the Senator from Colorado [Mr. ALLOTT], the Senators from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Iowa [Mr. MARTIN], the Senator from Vermont [Mr. FLANDERS], and the Senator from Maine [Mrs. SMITH] would each vote "yea."

The yeas and nays resulted: Yeas 71, nays 0, as follows:

YEAS—71

Aiken	George	Morse
Barkley	Goldwater	Mundt
Barrett	Gore	Murray
Beall	Hayden	Neely
Bennett	Hennings	Neuberger
Bush	Hill	Pastore
Butler	Holland	Payne
Byrd	Hruska	Potter
Carlson	Ives	Purtell
Case, N. J.	Jackson	Saltonstall
Case, S. Dak.	Jenner	Schoeppel
Clements	Johnston, S. C.	Scott
Cotton	Kefauver	Smathers
Curtis	Kerr	Smith, N. J.
Daniel	Kilgore	Sparkman
Dirksen	Knowland	Stennis
Douglas	Kuchel	Symington
Duff	Lehman	Thurmond
Dworshak	Long	Thye
Eastland	Mansfield	Watkins
Ellender	Martin, Pa.	Welker
Ervin	McClellan	Williams
Frear	Millikin	Young
Fulbright	Monroney	

NOT VOTING—25

Allott	Green	McCarthy
Anderson	Hickenlooper	McNamara
Bender	Humphrey	O'Mahoney
Bible	Johnson, Tex.	Robertson
Bricker	Kennedy	Russell
Bridges	Langer	Smith, Maine
Capehart	Magnuson	Wiley
Chavez	Malone	
Flanders	Martin, Iowa	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTION WITH BELGIUM RELATING TO TAXES ON ESTATES AND SUCCESSIONS

The resolution of ratification of Executive G will now be read.

The Chief Clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive G, 83d Congress, 2d session, a convention between the United States of America and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and successions, signed at Washington on May 27, 1954.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate to attend the atomic energy tests in Nevada.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate to attend the inauguration of the President of Cuba.

The Senator from Texas [Mr. JOHNSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent by leave of the Senate because of illness.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate to attend his 25th anniversary celebration in the State of Washington.

I further announce that on this vote the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MALONE], and the Senator from Iowa [Mr. MARTIN] are absent on official business.

I also announce that the Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate to attend the inaugural ceremonies of the President of Cuba.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

If present and voting the Senator from Colorado [Mr. ALLOTT], the Senators

from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from Iowa [Mr. MARTIN], and the Senator from Maine [Mrs. SMITH] would each vote "yea."

The yeas and nays resulted: Yeas 74, nays 0, as follows:

YEAS—74

Aiken	Frear	Monroney
Barkley	Fulbright	Morse
Barrett	George	Mundt
Beall	Goldwater	Murray
Bennett	Gore	Neely
Bridges	Hayden	Neuberger
Bush	Hennings	Pastore
Butler	Hill	Payne
Byrd	Holland	Potter
Carlson	Hruska	Purtell
Case, N. J.	Ives	Saltonstall
Case, S. Dak.	Jackson	Schoeppel
Chavez	Jenner	Scott
Clements	Johnston, S. C.	Smathers
Cotton	Kefauver	Smith, N. J.
Curtis	Kerr	Sparkman
Daniel	Kilgore	Stennis
Dirksen	Knowland	Symington
Douglas	Kuchel	Thurmond
Duff	Lehman	Thye
Dworshak	Long	Watkins
Eastland	Mansfield	Welker
Ellender	Martin, Pa.	Williams
Ervin	McClellan	Young
Flanders	Millikin	

NOT VOTING—22

Allott	Humphrey	McNamara
Anderson	Johnson, Tex.	O'Mahoney
Bender	Kennedy	Robertson
Bible	Langer	Russell
Bricker	Magnuson	Smith, Maine
Capehart	Malone	Wiley
Green	Martin, Iowa	
Hickenlooper	McCarthy	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. GEORGE. Mr. President, I ask unanimous consent that the President be notified of the ratification of the three conventions.

The PRESIDING OFFICER. Without objection, the President will be notified.

Mr. CLEMENTS. Mr. President, I now ask that the nominations on the Executive Calendar be considered.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations on the Executive Calendar will be stated.

NATIONAL SECURITY TRAINING COMMISSION

The legislative clerk read the nomination of Albert J. Hayes to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Louis S. Rothschild to be Under Secretary of Commerce for Transportation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Allin H. Pierce to be judge, for the unexpired term of 12 years from June 2, 1948.

The PRESIDING OFFICER. Without objection the nomination is confirmed.

CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Ross Rizley, to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

RENEGOTIATION BOARD

The legislative clerk read the nomination of Thomas Coggeshall, to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the Public Health Service nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Public Health Service nominations are confirmed en bloc.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

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

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

OREGON LEGISLATURE MEMORIAL ON JOHN DAY DAM

Mr. MORSE. Mr. President, I have a few brief remarks to make on a memorial adopted by the House of the Oregon Legislature dealing with the John Day Dam.

House Joint Memorial No. 2 of the Oregon Legislature has been placed before the Senate and referred to the appropriate committee.

It requires comment. House Joint Memorial No. 2 relates to the John Day multi-purpose project on the Columbia River which was authorized by the Congress in years past as a wholly Federal project as part of the main control plan for the Columbia River Basin.

The memorial correctly relates the magnificent and urgently required power, navigation, and flood-control benefits of the John Day Dam as a Federal project. It goes on to urge Congress to "appropriate immediately the funds necessary to enable the Corps of Engineers to complete the preliminary investigations and planning for the John Day Project."

That is fine as far as it goes. It should state in addition that the President's recommendation of $500,000 for this purpose is totally inadequate. Apparently the Republican majority in the State Legislature that adopted this memorial, to the applause of the private utilities, thought it best not to mention this fact.

On January 16, Senators MAGNUSON, JACKSON, MURRAY, MANSFIELD, NEUBERGER and I issued a statement expressing the hope that the President would recommend adequate planning funds for John Day Dam. Our hopes went unanswered by the President, who recommended one-third that amount in his budget.

Last year, starting in January, I urged that John Day be a new start—so desperately needed in the Pacific Northwest to provide navigation aid and cheap power and what is equally scarce in our area, jobs.

In March 1953, I urged the Senate Appropriations Committee to provide the funds in the amount of $750,000. That is the amount the Corps of Engineers can use and needs to do a full year's work to ready John Day for construction, a long and laborious process.

The committee recommended $500,000 and the Senate agreed, but the amount was eliminated in conference. I protested and was joined by Senators MAGNUSON and JACKSON. We sought to have the bill recommitted. The then chairman of the Civil Functions Subcommittee, the present minority leader, vigorously opposed us and pointed out that he did not think it wise to proceed to start a project of such dimensions and cost.

We persisted. When the first supplemental appropriations bill was before the Senate, we urged the appropriation of $1.5 million, because after the first elimination of the funds for John Day, the Army Corps of Engineers advised us that if it received funds before August, the planning job could be done in 15 months instead of more than 2 years. Had the Republican 83d Congress acted, John Day could have been under construction this year.

The committee recommended $750,000. The Senate agreed. Once again, every penny for John Day was cut out in conference.

The Democratic Senators from the Pacific Northwest are determined to fight this year for $1.5 million for the accelerated program.

Our area, and the Nation, needs that new start in 1956.

It is my hope that the Oregon Legislature follows up its memorial with a suitable one urging an appropriation of $1.5 million. Let them also urge the President to revise his request so that the job can be done, be done right and be done quickly. Why was that not done in the first place?

The memorial has another subsection asking that the Federal Government "indicate its intention to build the John Day project promptly and solely with Federal funds by making the necessary appropriation to start construction immediately upon completing the preliminary planning or, in the alternative, enact without delay such enabling legislation as is required to permit local agencies to advance funds, under appropriate arrangements with the United States, so that construction of such project by the Federal Government can be initiated immediately."

I fear the Republican draftsman of the resolution was ill-advised about congressional procedure, or totally unaware of how long the planning phase will take. For projects of this sort, Congress limits appropriations to the fiscal year ahead. I fear that the Republican legislators in Oregon were not looking for an assurance that the Federal Government will go forward with the project, but instead were looking for an excuse for advocating so-called partnership.

Let me briefly describe what that "partnership" entails. In doing so I quote the views I presented upon behalf of a majority of the Democrats on the Public Works Committee last year:

This is the partnership prize.

The John Day Dam, an authorized project, is almost exclusively a power dam located on the main stem of the Columbia River.

It will have an installed capacity of 1,100,000 kilowatts (as compared with 39,000 at Cougar and 81,000 at Green Peter-White Bridge). With the addition of upstream storage installed capacity can be increased to 1,500,000 kilowatts.

In the form proposed the project would cost about $400 million exclusive of interest costs during construction. The Army engineers advise that this project is essentially like the McNary Dam project, for which a tentative cost allocation charges power with over 90 percent of the total cost. So that under the plan for the dam proposed in the partnership bill, power would be chargeable with some 90 percent of the cost which will range from $360 million to $400 million without interest charges during construction. Under Federal construction, operation and marketing of power, the Federal investment for power would be returned in full in a 50-year period.

However, this is what the sponsor of the bill (S. 3510) proposes (CONGRESSIONAL RECORD, vol. 100, pt. 5, p. 7042):

"The estimated total cost of the John Day Dam is $320 million. The local interests propose to contribute $164 million or more than half of the cost of the dam to the Federal Government. We are, therefore, dealing with much larger sums of money—hundreds of millions of dollars—than we were in the other cases.

"With the bill providing that the local interests contribute $164 million and that the Federal Government assume the responsibility to pay the remainder of the cost of the dam, one of the first questions that occurs is how this division of financial responsibility was arrived at. The answer is this: We started with the proposition that a partnership in the ordinary sense of the word meant approximately equal contributions by the partners. It was next determined that the probable limit of financing by the local interests was in the neighborhood of $165 million."

In the remarks the sponsor of the bill put into the RECORD he neglected to break down the benefit which will accrue to the respective partners. The benefit which will accrue is that the private utilities which are to receive the power will get the proceeds from the power, and the taxpayers of the United States will get the fish ladders, and will have to pay the flood-control capital cost, but will not receive dividends from the dam. Of course the Secretary of the Interior does not like to have me say in the State of Oregon that he is sponsoring a giveaway project; but he is sponsoring the giving away of millions upon millions of dollars to the private utilities of my State at the expense of the taxpayers of the Nation. The private-utility interests do not own the Columbia River. It belongs to 164 million American people; and as a Senator from the State of Oregon I intend to stand shoulder to shoulder with my colleague in this body to see to it that the taxpayers of the Nation are protected from the giveaway program of the Secretary of the Interior to the private utilities of my State. It is because of the position he takes on John Day and other dams in our section of the country that I always refer to him in my State as the Secretary of the Department of Private Utilities, and not as the Secretary of the Interior.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks the remainder of the comments on the John Day Dam issue which I made in the Senate last year, and to which I have previously referred.

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

An additional feature of this proposal is that the Government will build the project with its own funds—thereby conferring upon the participating utilities the benefit of the low interest rates available to the United States.

The partner or partners would receive an amount of power equal to the total generation of John Day delivered, over Government transmission lines, at load centers. This could involve Federal expenditure for construction of additional transmission facilities, but the partner would pay only for the cost of transmission, not the cost of constructing transmission facilities.

The power partners would receive electricity in proportion to their contribution to the $164 million invested. Among the potential participants, Portland General Electric Co., which initially proposed the plan, undoubtedly would make the major investment and thereby receive the lion's share of the power output.

Interestingly, the method for cost allocation contained in the Cougar and Green Peter bills are not included in S. 3510. That task is left solely to the Army engineers and Federal Power Commission. Yet, the Engineers and the Secretary of Interior recommended the cost allocation formula of the bills for the 2 small projects for use in connection with regular Federal multipurpose projects. In the case of McNary, power has been charged with 97½ percent of the cost of the project.

Apparently, the partnership advocates are not content to have Portland General Electric Co. bear the cost of power generation upon the basis that has resulted in weighting Federal power from McNary with so large a portion of the project cost.

Another aspect of the John Day partnership bill is the express provision for using the Federal transmission system for the distribution of power to Portland General Electric at load center. Partnership advocates have not been so generous in supporting funds for transmission lines to deliver power to PUD's and rural electric co-ops.

But, the main significance of this provision in the bill is the comparison it presents with the Cougar bill, which contains no such provision. However, in the John Day bill the use of Federal transmission lines do not imply the pooling and integration of power. Rather it represents an exchange of power so that Portland General Electric and its junior partners will get an amount of power equal to the amount generated at this mammoth project.

The John Day partnership would result in higher power costs for the profit of a private utility. The people's river and the people's funds, the people's borrowing power—would be used to hand over power under a 50-year contract and the power revenues would be used to repay the people's investment after a markup for the private utility's profit.

Public preference, the chief target of the private utilities of the country, would be nonexistent for a million to a million and a half kilowatts of capacity.

Mr. MORSE. Mr. President, I wish to assure the Senate that the 21-to-7 vote in the State senate and the 34-to-26 vote in the State house of representatives was almost a straight party-line vote. Only two Republican members of the house, Representatives Gust Anderson and McKenzie, to their credit, joined the Democrats in opposition.

It is unfortunate that the Republican leadership in Oregon has made opposition to public power development a partisan issue. It does not represent the rank-and-file Republicans of my State. The people of Oregon, Democrats, Independents, and Republicans, know that inexpensive public power means the difference between economic progress and economic stagnation. The Oregon Republican machine has made itself the party of stagnation.

John Day, like high Hells Canyon Dam, must be built if Oregon is to prosper and make its contribution to the economy and defense of the country.

Do the Republicans in the Oregon State Legislature care to put themselves on record on the Federal Hells Canyon Dam?

Such action is awaited with interest.

The Republican leadership of Oregon, by this resolution, has made itself a soundtruck, with no parade. The people of the State I, in part, represent are not behind the private utility soundtruck which is being driven through the State by the Republican machine of Oregon.

Mr. President, in closing I wish to invite attention to a very fine article written by my colleague [Mr. NEUBERGER], published in the current issue of the Reporter magazine, entitled "Partnership Versus the Public Interest."

I desire to be associated with the observations of the junior Senator from Oregon appearing in this fine article. But before I ask unanimous consent to have it inserted in the RECORD as part of my remarks, I wish to read a quotation or two from the article. The junior Senator from Oregon is one of the most able and brilliant writers in the field of American journalism today, and in this article he has, with his usual clarity, boiled down the essential features of this great power issue in the State of Oregon.

Speaking of the Secretary of the Interior, my colleague says in this article:

When he spoke out for partnership in Oregon last year under the aegis of the Republican National Committee, Secretary of the Interior McKay cited the need for safeguarding the country's exchequer. He did not mention that power receipts are pouring into that exchequer from many of the same Federal projects partnership would displace.

The key partnership bill drafted to date calls for development of the John Day power site on the Columbia River, where the mightiest of America's hydroelectric streams forms the boundary between Oregon and

Washington. This measure, introduced near the close of the 83d Congress with the approval of both the Bureau of the Budget and the Department of the Interior, calls for a dam to cost approximately $320 million. The Government would contribute $156 million of this sum, and the remaining $164 million would come from what the President refers to as "non-Federal interests," meaning in this particular instance the Portland General Electric Co. Mr. McKay had originally announced that the State Grange and farmers' rural electric cooperatives might join with the power company as "non-Federal interests," but these organizations later denounced the proposed partnership in strong terms. The co-ops said that it could mean the doom of public power in the Northwest.

Under the partnership bill, the Government gets as its share of the projects the fish ladders, the navigation locks, and the flood-control gates along the spillway. These are facilities that the President regards as involving "a national interest," a description he evidently does not apply to water power. Kilowatts being thus less important than chutes for salmon or locks for sternwheelers, the "non-Federal interests" receive as their portion of the dam the energy produced in the powerhouse for a period of at least 50 years.

Up to this point partnership may seem a sound venture for the Government. The great dam gets built and the Treasury has to put up only about 49 percent of the funds, as compared with the 100 percent required of the Federal Government in the era of New Deal spending, when Bonneville and Grand Coulee rose above bedrock in the Columbia River.

MR. M'KAY, MEET MR. M'KAY

During a nationwide TV program Secretary McKay, a former Governor of Oregon and Chevrolet dealer, blurted out: "I don't think it's right to subsidize power out in my country—for instance, in Oregon, Washington, and Idaho."

If the Secretary is correct in his contention that the Government is losing money on the kilowatts generated in the Northwest, then altruistic utility companies are merely sparing the Government a fiscal headache in offering to take over the powerhouses. What could be finer for the public? Partnership becomes a generous gesture on the part of Electric Bond & Share and its brethren.

But the truth seems to be that Mr. McKay, like so many other administrators in the Capital, has failed to read material to which his own name is signed. In appraising the bank balance of the Bonneville Power Administration, the 1953 annual report of the Secretary of the Interior noted that "The repayment is substantially in excess of scheduled requirements."

Behind this formal language lurks one of the most profitable financial records of any Federal agency in the land. A total of $128,549,822 has been invested, for example, in construction costs, operating expenses, and interest in the majestic dam at Bonneville, where the Columbia River surges through the Cascade Mountains. Up to June 30, 1954, $48,825,958 has been put back into the Treasury, through the sale of Bonneville current, and Bonneville Dam has been in full operation only since 1943. How many other undertakings, public or private, are more than 35 percent paid for after so brief a period? Even allowing for the decreased value of the dollar, the return would seem to look pretty good.

My colleague goes on to say in this very keen article:

Under the John Day partnership bill, the Government will be paid back by the utility corporation only the funds invested by the powerplant section of the dam, plus the cost of transmission and maintenance. Yet the all-Federal system of operation now in effect at Bonneville and Grand Coulee will probably return to the Treasury many times the total value of both projects.

In fact, the Bonneville Power Administration, which markets at wholesale the energy from all Government dams on the Columbia and its swift tributaries, has collected $340,565,589 in gross income out of hydroelectric-power receipts. Approximately half of this, $170,409,914, has gone to repay the original investment in hydroelectric facilities. The other half has been applied on interest and operating expenses.

Although some of the present advocates of partnership once prophesied that the Federal dams in the Northwest would never find a market for their juice, the demand for kilowatts extends from tidewater to the Canadian boundary. Of the $221,462,229 spent on the generating features of vast Grand Coulee Dam, the largest edifice ever reared by mankind, $51,031,697 already has been repaid to the Treasury. Yet Grand Coulee has not been in full operation even as long as Bonneville. Its complete quota of turbines dates only from 1951.

By any test, these dams have been enormously profitable for the Government. To begin with, they probably would have had to be built anyway to serve other purposes. Grand Coulee is wresting from the high desert 15,000-irrigated homesteads, many of them settled by ex-GI's. Peach orchards and alfalfa fields have driven back the tumbleweed and sagebrush. And Bonneville's locks and lake have increased navigation on the upper Columbia River from 85,715 tons of cargo in 1933 to 1,343,575 tons in 1953. This water competition, in turn, has held down rail and truck freight prices.

The income from power at the dams has been a bonus. Irrigation and navigation were the first reasons for the projects. Yet it is probable that this income may pay for Bonneville and Grand Coulee many times over before steel girders and concrete bastions yield at last to the erosion of wind, weather, and the surging river.

I digress from my reading of the article by my colleague [Mr. NEUBERGER] to make a comment about the phony tax issue which is constantly being raised by Republican spokesmen in my State, the argument that the private utilities pay taxes. If we had continued to be subjected to the high-power rates charged by the private utilities in our State, private enterprise, to the extent of millions upon millions of dollars of investment in new business never would have come into the State. Private enterprises with a volume of business of millions upon millions of dollars came into Oregon, because of the availability of cheap power, which was produced by the great multipurpose dams. Those private businesses have returned to the United States Treasury many, many times the increase in tax dollars the Treasury would ever have received from private utilities had they been allowed to build high-power cost, low-head dams.

When I discuss next week, as I expect to do at the time of the introduction of the Hells Canyon Dam bill, the issue of taxation, I shall present to the Senate a breakdown of the contributions by way of tax payments which private industry has made to the Treasury, payments which never would have been made otherwise, because those private industries never would have come into our State except for the building of such dams as Bonneville and Grand Coulee.

A great dam like Hells Canyon Dam will bring to the Pacific Northwest millions upon millions of dollars' worth of new industry, which never will come in if the Secretary of the Interior shall be permitted to get by with his sellout to the Idaho Power Co., in conjunction with the Idaho Power Co.'s plan to build low-head dams on the Snake River, instead of the great multiple-purpose dam so badly needed in Hells Canyon. The site at Hells Canyon is the greatest remaining multiple-purpose dam site on this continent; yet it is proposed by this administration to scuttle it, so far as the welfare of future generations of American boys and girls is concerned, and to make the same mistake which the private utilities sought to perpetuate in the early days of the first administration of Franklin D. Roosevelt.

The private electric utilities wanted to scuttle the Grand Coulee project and build a low-head dam at Kettle Falls. But President Roosevelt was warned of their scheme by the great Republican leader from my State, Charles McNary; by George Norris, of Nebraska; by Bone and Dill, of Washington; by La Follette, of Wisconsin; Johnson, of California; and other liberals. They pointed out to Roosevelt what the private utilities were up to in seeking permission to build a low-head dam at Kettle Falls, knowing full well that if they got by with it, Grand Coulee Dam never could have been built.

But those Senators had a friendly President to work with, one who understood the Republican source of a conservation program in this country, a Republican source that went back to Teddy Roosevelt and Gifford Pinchot. That program, carried on by a great liberal of liberals, George Norris, who made his historic fights on this issue, aided and assisted by Charles McNary, Bob La Follette, Hiram Johnson, and others, preserved for our generation of American boys and girls their heritage in the natural resources of the Pacific Northwest.

At this time, we who are making this fight in the Senate do not have a friendly President on this issue, because our President has gone along with the private utilities' program under the label of "partnership." It is the kind of partnership under which, as the Senator from Oregon [Mr. NEUBERGER] points out in his great article, the people get the fish ladders and the locks, while the private utilities get the generating forces of the dams and the power profits which come from those generating forces.

That is why I said on an earlier occasion that I do not think much of a partnership in which one of the partners picks the pockets of the other partner. The Eisenhower partnership program, sponsored by his Secretary of the Interior, is a partnership program in which the private utilities, as one of the partners, will proceed immediately to pick the pockets of the American taxpayer; and the private utilities have the audacity to say that they ought to be allowed to do so because, on the basis of their taking, they pay taxes.

The American people need to be told that the great power sites belong to them and that the water belongs to them.

The Government ought to build multiple-purpose dams on these sites and have them owned by the people of the Nation, not by a private-utility, monopolistic combine. That is what Senator NEUBERGER points out so clearly in his fine article.

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

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

PARTNERSHIP VERSUS THE PUBLIC INTEREST

(By Senator RICHARD L. NEUBERGER)

"Partnership" has become one of the most honored words in the lexicon of the Eisenhower administration. It peppers the President's recent budget message wherever natural resources are discussed. Indeed, neither the President nor Secretary of the Interior Douglas McKay can refer to the vast river systems of America without dwelling reverentially on the term "partnership."

The people are told that under partnership they are to enjoy an infinitely more wholesome management of the country's water, timber, and public lands than under Federal operation in the past.

"This budget," declared the President of his financial plans for the fiscal year 1953, "proposes the start of several new construction projects under such partnership arrangements. Thus, we are continuing to develop our natural resources at less cost to the Federal Government."

Yet, although the President and his aides talked frequently and fondly of partnership in general, rarely do administration leaders spell out precisely what they actually mean by partnership. For this, we must turn not to speeches and budget messages but to the proposed legislation through which partnership would be put into effect. Upon studying one of these bills one discovers quite a contrasting prospect to the idyllic descriptions given by the President.

In the cold, terse lines of a printed Senate bill partnership becomes simply a disposal of resources. The American people would be committed not only to parting with some of the most valuable hydroelectric-power sites in the world but also to appropriating public funds so that these sites can be exploited for private interests. Far from developing natural resources at the less cost to the Federal Government boasted of by the President, partnership over the years will deny to the Treasury hundreds of millions of dollars that might otherwise go toward reducing the national debt, which so worries many of the President's followers.

This is perhaps the most startling aspect of partnership. In the name of fiscal responsibility, the public would be deprived of the income-producing features of Federal projects that have been paying for themselves at a much more rapid rate than even their most enthusiastic sponsors ever dared to predict. When he spoke out for partnership in Oregon last year under the aegis of the Republican National Committee, Secretary of the Interior McKay cited the need for safeguarding the country's exchequer. He did not mention that power receipts are pouring into that exchequer from many of the same Federal projects partnership would displace.

The key partnership bill drafted to date calls for development of the John Day power site on the Columbia River, where the mightiest of America's hydroelectric streams forms the boundary between Oregon and Washington. This measure, introduced near the close of the 83d Congress with the approval of both the Bureau of the Budget and the Department of the Interior, calls for a dam to cost approximately $320 million. The Government would contribute $156 million of this sum, and the remaining $164 million would come from what the President refers to as "non-Federal interests," meaning in this particular instance the Portland General Electric Co. Mr. McKay had originally announced that the State Grange and farmers' rural electric cooperatives might join with the power company as "non-Federal interests," but these organizations later denounced the proposed partnership in strong terms. The co-ops said that it could mean the doom of public power in the Northwest.

Under the partnership bill, the Government gets as its share of the project the fish ladders, the navigation locks, and the flood-control gates along the spillway. These are facilities that the President regards as involving "a national interest," a description he evidently does not apply to water power. Kilowatts being thus less important than chutes for salmon or locks for stern-wheelers, the "non-Federal interests" receive as their portion of the dam the energy produced in the powerhouse for a period of at least 50 years.

Up to this point partnership may seem a sound venture for the Government. The great dam gets built and the Treasury has to put up only about 49 percent of the funds, as compared with the 100 percent required of the Federal Government in the era of New Deal spending, when Bonneville and Grand Coulee rose above bedrock in the Columbia River.

MR. M'KAY, MEET MR. M'KAY

During a nationwide TV program Secretary McKay, a former governor of Oregon and Chevrolet dealer, blurted out: "I don't think it's right to subsidize power out in my country—for instance, in Oregon, Washington, and Idaho."

If the Secretary is correct in his contention that the Government is losing money on the kilowatts generated in the Northwest, then altruistic utility companies are merely sparing the Government a fiscal headache in offering to take over the powerhouses. What could be finer for the public? Partnership becomes a generous gesture on the part of Electric Bond & Share and its brethren.

But the truth seems to be that Mr. McKay, like so many other administrators in the Capital, has failed to read material to which his own name is signed. In appraising the bank balance of the Bonneville Power Administration, the 1953 annual report of the Secretary of the Interior noted that the repayment is substantially in excess of scheduled requirements.

Behind this formal language lurks one of the most profitable financial records of any Federal agency in the land. A total of $128,549,822 has been invested, for example, in construction costs, operating expenses, and interest in the majestic dam at Bonneville, where the Columbia River surges through the Cascade Mountains. Up to June 30, 1954, $48,825,958 had been put back into the Treasury, through the sale of Bonneville current—and Bonneville Dam has been in full operation only since 1943. How many other undertakings, public or private, are more than 35-percent paid for after so brief a period? Even allowing for the decreased value of the dollar, the return would seem to look pretty good.

Under the John Day partnership bill, the Government will be paid back by the utility corporation only the funds invested in the powerplant section of the dam, plus the cost of transmission and maintenance. Yet the all-Federal system of operation now in effect at Bonneville and Grand Coulee will probably return to the Treasury many times the total value of both projects.

In fact, the Bonneville Power Administration, which markets at wholesale the energy from all Government dams on the Columbia and its swift tributaries, has collected $340,565,589 in gross income out of hydroelectric-power receipts. Approximately half of this, $170,409,916, has gone to repay the original investment in hydroelectric facilities. The other half has been applied on interest and operating expenses.

Although some of the present advocates of partnership once prophesied that the Federal dams in the Northwest would never find a market for their "juice," the demand for kilowatts extends from tidewater to the Canadian boundary. Of the $221,462,229 spent on the generating features of vast Grand Coulee Dam, the largest edifice ever reared by mankind, $51,031,697 already has been repaid to the Treasury. Yet Grand Coulee has not been in full operation even as long as Bonneville. Its complete quota of turbines dates only from 1954.

By any test, these dams have been enormously profitable for the Government. To begin with, they probably would have had to be built anyway, to serve other purposes. Grand Coulee is wresting from the high desert 15,000 irrigated homesteads, many of them settled by ex-GI's. Peach orchards and alfalfa fields have driven back the tumbleweed and sagebrush. And Bonneville's locks and lake have increased navigation on the upper Columbia River from 85,715 tons of cargo in 1933 to 1,343,575 tons in 1953. This water competition, in turn, has held down rail and truck freight rates.

The income from power at the dams has been a bonus. Irrigation and navigation were the first reasons for the projects. Yet it is probable that this income may pay for Bonneville and Grand Coulee many times over before steel girders and concrete bastions yield at last to the erosion of wind, weather, and the surging river.

THE SILENT PARTNER

The partnership proposed by the Eisenhower administration would end this favorable arrangement. By putting up only about half the cost of a dam, a private utility combine would be able to monopolize the revenues. At the same time, the Government would continue to be saddled with the apparatus that returns no cash dividends—locks and fish ladders.

The most appropriate comparison would be that of two men forming a partnership to build a department store. Each man chips in approximately half the cost. When the store is completed, one partner gets the revolving doors and escalators and fire escapes; the other partner gets the sales counters. That is essentially the division proposed by the administration between the Government and "non-Federal interests" at dam sites along the Columbia River.

Although the opponents of partnership are occasionally denounced as Socialists and radicals, it is significant that the national administration itself favors some Federal dams. The President has urged Congress to authorize the prodigious upper Colorado project at an ultimate cost of $1 billion. Curiously enough, this is not proposed as a partnership. One might ask why partnership is good for dam sites on the Columbia but undesirable for dam sites dotting the Colorado and its silty feeder streams.

The answer is simple. The Columbia is the greatest power waterway in North America. More than 40 percent of this Nation's latent hydroelecricity lies within its swift, cold reaches. Power has been produced more cheaply along the Columbia than anywhere else in the United States. The Bonneville Administration's wholesale rate of two mills a kilowatt-hour has resulted in the moving of nearly half our national aluminum production to this region, although not a single ounce of aluminum was smelted in the Pacific Northwest before 1940. Utility companies that could get the Government to underwrite their tapping of the immense power potential of the Columbia would be waist-high in clover.

The upper Colorado project is something else again. In this realm of light rainfall, many of the rivers are shallow and unreliable

in flow. Furthermore, conservation groups are militantly opposed to the Echo Park Dam, which would flood out the famous Dinosaur National Monument. Power in the upper Colorado is high-cost power contrasted with that on the Columbia. Transmission distances are measured by horizons rather than miles. Industrial locations are few and far between. No utility corporation covets these sites. Accordingly, partnership proposals have not come close enough to the upper Colorado project even to communicate with it by smoke signals.

This is one of the strangest phases of partnership. Evidently it represents no fervent ideological goal of the administration, to be fought for through thick and thin. It is simply a question of dollars and cents—for the power companies. Where the power site is a choice one, the administration advocates partnership with the utilities. Where the kilowatts are likely to be hard to peddle at feasible rates, the Government will go ahead with a socialistic Federal dam. This is an odd course for an administration dedicated to fiscal solvency. The sites that are potentially profitable will be developed in partnership with private corporations, while the marginal sites are to be given a spigot tapping the United States Treasury.

"LOCAL" INTERESTS

The President often uses the word "local" when he discusses partnership. In his opinion, "non-Federal interests" are generally local. Sometimes, in fact, they are—for example, at the few sites where the partner can be a municipal light plant. But "local" hardly describes the Idaho Power Company, to which the administration would give the great Hell's Canyon hydroelectric site, a dark and spectacular gorge more than a mile deep.

Nearly all the largest holders of common stock in the Idaho Power Company are banks and insurance companies, with headquarters thousands of miles from Hell's Canyon. Only about 7 percent of the common stock is owned in the intermountain West, where the Snake River has trenched America's deepest abyss. Sixty-six percent of the stock is held on the distant Atlantic Coast. On top of all this, the Idaho Power Company holds its annual meetings in Augusta, Maine, which is about as remote as one can be from Hell's Canyon without crossing an international border.

President Eisenhower occasionally likes to trace the lineage of his regime back to Theodore Roosevelt. Mention of the Rough Rider by President Magloire of Haiti brought noisy approval from a recent joint session of Congress. Yet one can only wonder what the first Roosevelt would have thought of partnership. Gifford Pinchot, who was Roosevelt's campfire friend and chief forester, has told how the two of them relied upon subterfuge to save hydroelectric sites in the West from "the Power Trust." They designated as forest ranger station locations the places along roaring mountain rivers where the utilities planned to stake out claims.

"Power sites were passing into corporate hands in ways both legal and illegal," Pinchot wrote in his autobiography, Breaking New Ground. "Some of these ranger stations we located deliberately on water-power sites, in order to ensure some form of Government control * * *. A certain number of ranger stations were applied for which were needed less for rangers than to give the Government a temporary hold on some power site and prevent the power octopus from sucking it in."

The difference between these tactics and the partnership program of the present administration need not be elaborated upon. Roosevelt and Pinchot stretched the law to keep power sites in the West out of private hands. Mr. Eisenhower and Secretary McKay seek authorization to use Federal funds to develop western water-power sites for the benefit of private utilities.

THE EARTH BELONGS OF RIGHT

Tumbling plumes of water are not the only public property now being subjected to the dubious blessings of partnership. Through its Departments of Agriculture and Interior, the administration has endorsed two proposals that would make big timber operators and a handful of favored livestock owners the partners of the American people in managing our national forests. A timber-exchange bill would require that lumbermen whose acreage was taken by the Government for any purpose could demand choice Government forest land in return.

Lyle F. Watts, formerly Chief of the United States Forest Service, contends that the bill has been so drawn as to apply only to the largest lumber operators. "It's a big man's bill," he adds.

Furthermore, the bill places lumber on a higher legal plane than any other possession of the human race. Ever since George Washington's era, the Government has had an obligation to pay only in money whenever it commandeered property—whether the property consisted of a farm, church, factory, or school. Under the terms of the timber-exchange bill, money would not be sufficient. Lumbermen would be entitled to redemption in kind, a privilege never vouchsafed to the farmer whose home is acquired for a highway or a military cantonment. In addition, the lumbermen might pick national forest lands that furnish recreation for thousands of skiers or campers.

Another bill would increase the equity of livestock operators in the 44 percent of national forests which comprise grazing lands. Under this particular variety of partnership, the authority of rangers to police mountain meadows belonging to the public would be modified. By making a few minor improvements in the range, stockmen might be able to sell grazing permits when they sold their ranches, although these permits are for land supposedly belonging to the Government. A permit to graze only a hundred head of cattle on national forest lands could add at least $25,000 to the value of a ranch. Even today the 61 million acres of western national forest lands used for grazing are monopolized by a mere 3.5 percent of western stockgrowers.

Outdoor organizations have warned that the bill would give 18,000 stockmen a higher claim on the national forests than 30 million vacationers and sightseers. "Under such a program," warns the Denver Post, "our national forests would be put in hock to one particular group of forest users." Yet this bill passed the Senate with administration backing last year by a vote of 44 to 41, and was blocked in the House only by the eleventh-hour rush that occurs when congressional valises and Presidential fishing rods are packed.

"Partnership" is a reassuring word to most Americans. It implies mutuality of interest, a sharing of losses and gains. But the curious partnership suggested by the national administration in the development of the most valuable natural resources still belonging to the American people calls for all the losses to be on one side and all the gains on the other. The appeal of partnership has depended to date upon ignorance of the true facts.

"The earth," said Gifford Pinchot, who founded our Federal forest reserves, "belongs of right to all its people, and not to a minority, insignificant in numbers but tremendous in wealth and power. The public good must come first."

Mr. MORSE. Mr. President, in closing, I wish to say that the Democratic Senators of the Pacific Northwest intend to continue this year to fight as valiantly as they can to awaken the people of the United States to the need for the building of John Day Dam as a Federal project. I say to the people of the State of Oregon that if it is not to be built as a Federal project, then, remember, it will be because we were stopped by a Republican administration. The time has come to put the Republican members of the State legislature, which adopted the memorial to which I referred early in my remarks, right on the political spot, and to ask them to stand up and be counted: First, are you for the John Day Dam as a Federal project, and are you doing everything you can to get the Republican administration to see the importance to the economic welfare not only of the Pacific Northwest, but of the country as a whole, from the building of John Day Dam as a Federal project?

Second, are you for Hells Canyon Dam as a Federal project? And are you, as Republican members of the legislature, doing everything you should be doing to get a Republican administration to walk out of the agreement which it has entered into with the private utilities, because that agreement is against the public interest? Do you intend to repudiate it and serve notice on the Nation that the Republican administration will have no more of a partnership arrangement whereby the private utility partner proceeds to pick the pockets of the American taxpayer?

Let me make it clear that so far as I am concerned, this fight has just started. I am satisfied that once the American people, in all sections of the country, not only in the Pacific Northwest, but also in Massachusetts, New York, Florida, the Middle West, and the South, come to understand that we who are fighting for the building of John Day and Hells Canyon Dams as Federal projects are fighting to protect the interests of this generation and also future generations in the natural resources of the country, they will react with approval to our position, and they will show their approval in 1956.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 36, joint resolution (S. J. Res. 42) to amend the National Housing Act, as amended.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 42) to amend the National Housing Act, as amended.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be offered, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the joint resolution be passed?

Mr. SPARKMAN. Mr. President, it is my understanding that the senior Senator from Virginia [Mr. BYRD] desired to make a statement on the joint resolution. I note the Senator from Virginia is now present.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Virginia.

Mr. BYRD. Mr. President, I simply wish to make clear my objections to the joint resolution. I shall vote against the pending joint resolution for numerous reasons. In my judgment, any one of these reasons would be sufficient to justify winding up all the Federal housing programs.

One of the reasons is the fact that a relatively limited examination of a small minority of accounts in only one of the many housing programs has developed scandals beyond compare in the history of our Government.

Another reason is the fact that the legislation under which these programs are promoted is loose beyond repair. This has resulted in lax administration. And the combination has attracted racketeers who have infiltrated the housing industry to exploit buyers, tenants, and the reputations of honest builders and lending institutions.

The whole housing program is now suffering with a scandal cancer which bears marked similarity to the one that infested the RFC in its notorious latter days.

In short, like the RFC, the housing programs were originated as depression measures; war emergencies caused an otherwise unjustified survival of these programs; and in postwar inflation they have outlived their usefulness and become a lucrative haven for unscrupulous exploiters of public credit and Federal Government largesse.

During the 21 years since 1933, in guaranteed, insured, and direct loans, direct appropriations, appropriations for payments in lieu of taxes, appropriations for the purchase of capital stock, and so on, the Federal Government has used public credit and funds to subsidize domestic housing to a gross total of more than $60 billion.

I use the term "subsidize" advisedly. I know it will be argued that real property stands back of the housing loans, which may be foreclosed. I know also that fortunately a minimum number of foreclosures has been necessary to date, because of war conditions and inflated markets. But I know also that if and when the real estate bubble deflates ever so slightly, there will be a wild clamor for the public, through Federal housing programs, to absorb the losses.

A tremendous amount of this public credit has been used for private gain at the expense of buyers, tenants, and the Government. The notorious 608 program of FHA is one example, if an example is needed.

This public credit has been made available in the form of contingent debt, and the Federal money has been made available by direct drafts on the Treasury outside of budgetary control and appropriation procedure, as well as through direct appropriations, and just about every other conceivable financing device.

The housing subsidies which have been provided in the form of direct appropriations represent a high degree of total financial loss to the Government.

The loss in insured, guaranteed, and direct loans is impossible of estimate for several reasons.

Most of them are long-term loans, of duration ranging up to 40 years.

In the case of insured loans, most of the relatively rare cases of foreclosure to date have been followed by disposing of the property again under other publicly insured loans.

Gross reserves from earnings for all the housing programs, exclusive of Federal Home Loan banks and Federal Savings and Loan Insurance Corporation, total less than $300 million against approximately $35 billion in direct, guaranteed, and insured loans outstanding.

Most of the authority to lend directly, purchase mortgages, and insure loans contemplates revolving funds so as to provide continuing use of the authority.

A summary, in gross figures, of public credit and Federal funds which have been used since 1933 is set forth in a table which I shall ask to have printed following my remarks.

The figures in the table are gross, and they do not reflect such repayments as have been made. Its purpose is simply to show the tremendous extent to which public credit and Federal funds have been used to subsidize domestic civilian housing.

The $60 billion total is more than all the agricultural subsidies in this period; it is more than all the transportation subsidies, including postal deficits; and is more than all the foreign aid expenditures. It ought to be enough.

I ask to have printed the table to which I have referred, showing the compilation of gross figures to demonstrate the magnitude of the Federal housing program.

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

Summary of public credit and money (gross) which have been made available under Federal housing programs—1933 to June 30, 1954

[In thousands]

Program	Authority to make loans, grants, purchase mortgages, and insure loans		Authority to expend from public-debt receipts			Appropriations		Administrative expenses [1]	Reserves from earnings	Payments to U. S. Treasury (interest, dividends, and capital)
	Total current authority	Cumulated gross total authority used	Total current authority	Gross amount borrowed	Owed to Treasury	Total	Unexpended balance			
Housing and Home Finance Agency:										
Authority to make loans, grants and purchase mortgages:										
Office of the Administrator:										
Housing loans for educational institutions	[2] $300,000	$49,624	$300,000	$51,500	$51,500			$953		[3] $792
Slum clearance and urban redevelopment:										
Loans	[2] 1,000,000	49,806	1,000,000	38,000	38,000			6,891		[3] 988
Capital grants	500,000	19,401				$28,000	$8,599			
Federal National Mortgage Association [4]	3,650,000	2,365,000	[5] 3,650,000	3,716,463	2,233,210			13,848	$35,683	[3 6] 188,814
Home Loan Bank Board:										
Federal home-loan banks	(7)	(7)	1,000,000						39,362	[6 8] 150,917
Federal Savings and Loan Insurance Corporations	(9)		750,000					7,287	147,620	[6 8] 69,226
Home Owners Loan Corporation		3,498,903		3,279,669				272,792		[8] 200,000
Public Housing Administration:										
Administrative expenses						37,941	321	78,278		
Annual contributions	336,000	160,715				169,422	14,640			
Loan authorization	[2] 1,500,000	3,882,137	1,500,000	4,445,256	215,000				4,130	[3] 89,912
Total, authority to make loans, grants, and purchase mortgages	7,286,000	10,025,586	8,200,000	11,530,889	2,537,710	235,362	23,559	380,048	226,795	700,649

[1] Includes expenditures from appropriated and agency funds.

[2] Lending authority is limited by corporate resources, including authority to expend from public-debt receipts shown in col. 3. Generally, lending authority is approximately equal to authority to expend from public-debt receipts.

[3] Interest.

[4] Figures are cumulative since transfer to Housing and Home Finance Agency. Records of business in this program while it was under RFC were not readily available.

[5] Federal National Mortgage Association could borrow from the Treasury any amount sufficient to finance its portfolio of mortgages.

[6] Dividends.

[7] Figures for Federal home-loan banks are excluded because they are now privately owned. The total amount of loans that may be outstanding at any one time is limited to 12 times the amount of their capital which on June 30, 1954, was $420,532,700. Gross loans made through June 30, 1954, was $5,599,302,297.

[8] Capital.

[9] There is no monetary limitation on the lending authority of this Corporation which is authorized to make loans to insured institutions to prevent default.

Summary of public credit and money (gross) which have been made available under Federal housing programs—1933 to June 30, 1954—Con.

[In thousands]

Program	Authority to make loans, grants, purchase mortgages, and insure loans		Authority to expend from public-debt receipts			Appropriations		Administrative expenses	Reserves from earnings	Payments to U. S. Treasury (interest, dividends, and capital)
	Total current authority	Cumulated gross total authority used	Total current authority	Gross amount borrowed	Owed to Treasury	Total	Unexpended balance			
Housing and Home Finance Agency—Continued										
Authority to insure loans:										
Federal Housing Administration:										
Title I:										
Insurance program, sec. 2 (home improvement)	$1,750,000	$7,056,271				38,244		$31,142	$29,387	
Housing insurance program, sec. 8		104,521				8,333		1,826	449	[3] [8] $8,333
Title II:										
Mutual mortgage insurance program, sec. 203, 1- to 4-family		17,452,328				41,994		221,112	64,198	[3] [8] 59,054
Housing insurance program, sec. 207-210, rental		357,123				4,170		13,739	676	[3] [8] 5,557
Housing insurance program, sec. 213, cooperative		365,205								
Title VI:										
War housing insurance program:										
Sec. 603, 1- to 4-family		3,645,260								
Sec. 608, multiple rental	[10] 20,342,863	3,439,771				5,000		70,196	106,498	[3] [8] 6,390
Sec. 609		5,030								
Sec. 610		24,462								
Sec. 611		12,546								
Title VII: Housing investment insurance program, sec. 701						1,000		39	−77	[3] [8] 1,108
Title VIII:										
Military housing, sec. 803		596,228				5,000		4,137	9,196	
Title IX:										
Defense housing:										
Sec. 903		428,753						4,091	739	[3] [8] 5,441
Sec. 908		58,698								
Total, authority to insure loans	22,092,863	34,446,197				103,741		346,282	211,067	85,883
Other:										
Office of the Administrator:										
Lanham public works						[13] 65,807		400		[3] 197
Defense community facilities and services:										
Loans		3,233				20,625	$6,130	250		[3] [8] 43
Grants		11,012								
Advanced planning of non-Federal public works:										
1st advanced planning						65,000		2,083		[8] 19,820
2d advanced planning						28,607	5,018	1,856		[3] [8] 6,529
Alaska housing program		17,753				19,000		403		
Loans for prefabricated housing	(11)	52,444	(11)	$36,170	$12,801	(11)		754		[3] [12] 1,446
Public Housing Administration:										
Public war housing						[13] 1,654,978	8,673	89,007	25,000	[8] 408,363
Subsistence homesteads and Greentowns						[13] 62,454		1,850		[8] 20,499
Veterans' reused housing program						[13] 442,625	171	14,639		[8] 36,472
Homes conversion program						[13] 90,109		10,910		[8] 29,278
Total, other		84,442		36,170	12,801	2,449,206	19,991	122,153	25,000	522,647
Total, Housing and Home Finance Agency	29,378,863	44,556,225	$8,200,000	11,567,059	2,550,510	2,788,309	43,550	848,483	462,863	1,309,179
Veterans' Administration:										
Guaranteed loans	(14)	12,439,634				613,211		90,772		[3] 39,081
Direct loans	411,093	343,860	366,719	366,719	363,741				8,335	[3] 8,126
Total, Veterans' Administration	411,093	12,783,494	366,179	366,719	363,741	613,211		90,772	8,335	47,207
Department of Agriculture:										
Farmers' Home Administration:										
Farm ownership loans:										
Direct loans	[15] 19,550	418,732	[15] 19,550	444,446	(16)	30,000		(16)		(16)
Insured loans	[17] 100,000	75,319						(16)		
Title V, Housing Act of 1949:										
Farm housing loans	[15] 15,950	97,305	[15] 15,950	97,174	(16)	1,350		(16)		(16)
Farm housing grants		364				1,050		(16)		
Contributions		86								
Total, Department of Agriculture	135,500	591,805	35,500	541,620		32,400				
Grand total	29,925,455	[18] 57,931,524	8,602,219	12,475,398	2,914,252	3,433,921	43,550	939,254	471,198	1,356,386

[3] Interest.
[8] Capital.
[10] May be increased by $500 million upon approval of the President.
[11] Authority to make loans and to borrow from public-debt receipts has expired. This program is now in liquidation. Notes were canceled by the Treasury in the amount of $3,383,339 before June 30, 1954.
[12] Interest paid by Housing and Home Finance Agency on notes since 1950. Does not include interest paid to Treasury while program was under RFC.
[13] Represents allocations or reallocations to Public Housing Administration and its predecessor agencies on the basis of the best information available.
[14] Authority is unlimited, except by maximum to which individual loans may be guaranteed.
[15] This is the amount authorized by Congress for fiscal year 1954. Authority is granted annually.
[16] Not available.
[17] Annual limitation.
[18] This is a cumulative gross total of loans and grants made, mortgages purchased, and loans insured. It does not reflect repayments.

Mr. BYRD. Mr. President, I should like to make the RECORD clear that I shall vote in the negative on the passage of the joint resolution.

The PRESIDING OFFICER. The question recurs on the passage of the joint resolution.

The joint resolution (S. J. Res. 42) was passed, as follows:

Resolved, etc., That section 217 of the National Housing Act, as amended, is hereby amended by striking out "$1,500,000,000, except that with the approval of the President such aggregate amount may be increased by not to exceed $500,000,000" and inserting in lieu thereof "$3,500,000,000."

PEACETIME APPLICATION OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, in his closing remarks at the Bangkok Conference this morning, Secretary of State Dulles urged the members attending the Conference to participate with the United States in the peacetime applica-

tions of atomic energy. Such cooperation was made possible by the general authorization for agreements for cooperation incorporated in the Atomic Energy Act of 1954.

I think it is especially meaningful that, at this conference devoted to the broad problems of southeast Asia, the Secretary placed emphasis on the peaceful uses of atomic energy. I can think of no more appropriate time or place for him to have made his statement. The closing sentence of Secretary Dulles' speech this morning was:

My Government is resolved that we shall do all in our power to assure that these benefits are increased and are widely available to our friends.

As chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy, I wish to endorse the position taken by Secretary Dulles in Bangkok. I shall do everything within my power to insure that the agreements for cooperation which are negotiated by the State Department and the Atomic Energy Commission and which are duly submitted for review to the Joint Committee on Atomic Energy are handled promptly and receive every encouragement.

I ask unanimous consent to have printed at this point in my remarks the full text of that portion of the statement by Secretary Dulles in Bangkok this morning which deals with peacetime atomic cooperation.

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

STATEMENT OF PEACEFUL USES OF ATOMIC ENERGY MADE BY SECRETARY OF STATE DURING ECONOMIC DISCUSSION ON FRIDAY MORNING, FEBRUARY 25, 1955, AT THE BANGKOK CONFERENCE

In considering measures which will strengthen the economic shelf of our Nation and speed their development, we look to the opportunities of the future as well as the problems of the present. New hope of a future of human well-being is stirred by the possible peaceful uses of atomic energy. The vision of atoms as the servant of mankind rather than its destroyer, which President Eisenhower eloquently presented to the U. N. General Assembly on December 8, 1953, has caught the imagination of men everywhere. The unanimous endorsement by the Ninth General Assembly of steps taken to implement the President's "Atoms for Peace" proposal testified to the continuing validity of this vision.

Four of the nations represented here are engaged in the present negotiations to establish an international atomic energy agency, and we look forward to the participation in due course of all of us.

Discussion in the United Nations and official notice from the United States Embassies in this conference have, no doubt, given information as to the assistance program which the United States has undertaken now in the period while the agency is being established. I wish to take this opportunity to express directly the sincere hope of my Government that each of you will take full advantage of these various programs. I note with gratification that, in the first reactor training course to be conducted at our Atomic Energy Commission's Argonne National Laboratory, 10 students will attend from nations represented here. Two students each from Australia, France, the Philippines, Pakistan, and Thailand, have been selected for this course which commences in March. I hope that you will send other students to the second course next fall.

I am pleased also that applications from Australia and Thailand have been received for the special course in radioisotopes technique to be given in May 1955. The most sympathetic consideration is being given to these applications, and to the request for technical libraries received from Australia and France. We will be happy to receive other requests for libraries and for participation in the various training programs.

My Government believes that these preparatory programs raise the realistic approach to mastering of the basic technique of utilization of the atom. Through mastery and extension of these techniques we work toward the vast potential contribution of the atom to our healthier prosperity. The bold 10-year program of construction of nuclear power stations, recently announced by the United Kingdom is a heartening affirmation that the promise of atomic energy is not a matter of the distant future. The vigorous basic program on which you are now all embarking is evidence that you will be prepared to share in these benefits. The cooperation which my Government is prepared to offer under the Atomic Energy Act of 1954 is not limited to training. As you are aware, 100 kilograms of fissionable material have been set aside for use in construction of research reactors in other countries. Our Department of State and Atomic Energy Commission are ready to discuss with interested countries the negotiation of agreements for cooperation under which some of this nuclear fuel could be made available. I am confident also that, beyond the programs of assistance which have been formulated and announced, there are other ways in which we can be of help. If you will present your proposals and inquiries regarding possible cooperation and assistance, they will receive careful and sympathetic study.

Already the application of atomic energy in science, medicine, agriculture, and industry is of substantial value. My Government is resolved that we shall do all in our power to assure that these benefits are increased and are widely available to our friends.

Mr. PASTORE. Mr. President, last fall a special subcommittee of the Joint Committee on Atomic Energy visited many of the countries represented at the Bangkok Conference. The report of that subcommittee was placed in the CONGRESSIONAL RECORD on February 18 by the Senator from Ohio [Mr. BRICKER], who was the acting chairman on the trip. The effectiveness and appropriateness of the trip was particularly emphasized in the newspapers of the country on the day the report was released.

The subcommittee found that in most countries which they visited the new climate for international cooperation in atomic energy, which has developed here in the United States, was inadequately understood. This was true in India, which had long been interested in getting United States assistance in obtaining a supply of heavy water for a large research reactor to be built by their Atomic Energy Commission. The subcommittee urged the Indian Government to renew its request for our assistance on this matter, and on the very day the report of the subcommittee was issued the Atomic Energy Commission announced that it had approved the renewed Indian request.

In these days of talk about H-bombs, radiation fallout, and all the accompanying horrors which could result from a new world conflict, it is all too easy to lose sight of the fact that we must get on with constructive steps so that this will be a better world in which to live. Appropriate as it may be to talk about defending free nations against communism, it is not enough. We must do everything in our power to demonstrate to our friends in the free countries around the world that staying free from communism is worth while. Secretary Dulles has made this very clear at Bangkok, for during the past week he has not only given to the Southeast Asian nations assurances that the United States stands ready to assist them in defending themselves against communistic aggression, but—equally important—he has now given them the strong assurances of the United States that this most advanced tool available to mankind will be used in every way possible to raise the standards of living, to improve health, and to make their countries better places for their people.

I think it is also important to call attention to the fact that we are not proposing an atomic Marshall Plan for Southeast Asia or any other part of the world. What Secretary Dulles called to the attention of his colleagues in Bangkok was that we stand ready to assist them in whatever way they may desire. We are not seeking to impose our way of living upon them. This is the very point the Senator from Ohio [Mr. BRICKER] expressed so effectively on the Senate floor, last Friday. We can be friends and we can have friends, provided we recognize the freedom these people must have to choose the kind of world in which they wish to live. And we must stand ready to assist them in obtaining what they want in the field of atomic energy.

Mr. President, I take this opportunity to commend Secretary Dulles for ending the Bangkok Conference on this note. It was an act of true statesmanship, and deserves the bipartisan support which I am sure it is receiving and will continue to receive in the Congress of the United States.

INCREASE IN SALARIES OF JUSTICES AND JUDGES OF THE UNITED STATES COURTS AND MEMBERS OF CONGRESS—CONFERENCE REPORT

Mr. CLEMENTS. 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. CLEMENTS. 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. KEFAUVER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3828) to adjust the salaries of judges of United States courts, United States attorneys, Members of Congress, and for other purposes. I ask unanimous consent for the present consideration of the report.

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

The legislative clerk read the report.

(For conference report, see House proceedings, pp. 2160–2161.)

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

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

Mr. KEFAUVER. Mr. President, I should like to make a brief statement concerning the report.

The conferees met for approximately 2 hours on yesterday, to try to work out the differences between the House and the Senate versions of this proposed legislation. In the effort to agree upon a report which could be submitted to the two Houses the point of give or take was reached. The report has already been agreed to by the House of Representatives, and is now before the Senate.

In regard to the salaries of the members of the judiciary—the judges—there was no substantial difference between the House and the Senate figures. I do not think there is any particular argument on that score.

The House version of the bill provided for an effective date, insofar as the judiciary is concerned, of January 1, 1955—that is to say, retroactive to that date. As for the congressional salaries, the House version provided for a date retroactive to the beginning of this term, namely, to January 5, 1955. On that point the conferees on the part of the Senate insisted upon the Senate version; and the House receded and agreed to substantially the position taken by the Senate, namely, that the new rate would become effective on the first day of the first month after the bill became a law. The language agreed upon was that it would become effective on the 1st of March, which is substantially in accordance with the position taken by the Senate.

The House version contained a section 4, which authorized an increase in the salaries of members of the professional staff of committees. It also authorized an increase in the salaries of clerical employees of the various legislative committees, and proposed amending the law by raising the ceiling on such salaries to $14,800, instead of the present ceiling of $11,646. In the conference, the House conferees insisted very strongly upon that provision with reference to legislative employees. Such a provision was not contained in the Senate version of the bill.

In the statement by the managers on the part of the House, the following appears:

COMPENSATION OF LEGISLATIVE EMPLOYEES

The House version of the bill contained a provision to raise the maximum basic compensation of professional and clerical staff members of the standing committees to $10,000 and further provided that the ceiling of $11,646 as it related to legislative employees be adjusted so that the ceiling existing under the classified pay act should be substituted therefor. The House receded from its insistence on this provision, which was not contained in the Senate version of the bill, but it was the opinion of the conferees on the part of both Houses that some adjustment should be made relating to pay increases to legislative personnel. It was the further sense of the conferees that the respective committees of each House explore the salaries of all legislative personnel for the purpose of an upward adjustment in relation to their pay as it is believed that this matter is essentially one which should be the subject of a pay act applying to all legislative personnel.

Mr. President, let me point out that this matter is before another committee, which is considering it. Furthermore, there was not very much testimony about it; in fact, the Senate had absolutely none on it. So our position was that this item should not be approved and agreed to by the Senate. After a lengthy argument the House conferees receded and the Senate position was sustained.

The House bill also contained a provision for increasing the amount which United States district attorneys and their assistants might be paid. Under present language in appropriation bills the ceiling is $15,000. The minimum for a United States district attorney is $12,000. The ceiling for assistant United States district attorneys is $12,000, and the minimum is $6,000.

There was substantial testimony before the Judiciary Committee on the question of district attorneys. Mr. Brownell testified, as did Mr. Rogers, the Deputy Attorney General, who appeared on behalf of Mr. Brownell. There was also a statement by Mr. Segal, Chairman of the Joint Commission, in which he said that while the Commission had no authority to report officially on the question of salaries for United States district attorneys, the members of the Commission felt that they should be given an increase. It was testified that there was a great deal of difficulty in obtaining and keeping competent men as United States attorneys, particularly in the larger cities. It was said that the importance and volume of Federal legislation had greatly increased, requiring excellent lawyers to handle the important cases, in which at times there are involved corporations which have a great many highly paid lawyers. It was testified that in order to obtain the services of the kind of attorneys necessary properly to represent the best interests of our Government in connection with Federal legislation, the salaries of such attorneys should be increased.

The Senate Judiciary Committee discussed this subject at some length. Our opinion at the time the bill was passed was that, in the interest of proper administration of justice, district attorneys and their assistants should be given an increase; but inasmuch as that subject was not covered in the Segal Commission report, we did not include it in the bill.

The press of the Nation has generally been in favor of increasing the compensation of United States district attorneys. I have before me an editorial from Washington Star of this afternoon, in which the conclusions reached by the conferees are highly commended. The editorial states that it is believed that, in the give and take of the conference, a good job had been done. Particular pleasure is expressed over the fact that something had been done with respect to United States district attorneys.

On this item the Senate conferees receded and accepted the House provision. Under the new language the salary range for district attorneys will be $12,000 to $20,000. That does not mean that they will be paid $20,000, but the Attorney General is given discretion to decide as to the worth of a man, what salary is required to keep him, and the importance of the work in a particular judicial district. The Attorney General will be enabled to fix salaries for United States district attorneys between the two figures named.

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

Mr. KEFAUVER. I shall be glad to yield to the Senator from Louisiana in a moment.

Under the present rule of the Attorney General district attorneys may not engage in outside law practice, as they formerly did. The conferees considered writing into law the prohibition which now exists by virtue of an order of the executive department. However, feeling that such a provision would be subject to a point of order, the conferees omitted it. It is our feeling that the order referred to should be continued. The conferees expressed themselves as being willing to support a bill to write into permanent law the prohibition against engaging in other law practice, which prohibition is currently imposed upon United States district attorneys.

I now yield to the Senator from Louisiana.

Mr. ELLENDER. What is the present range of salaries for Federal district attorneys?

Mr. KEFAUVER. The present range of salaries is from $12,000 to $15,000.

Mr. ELLENDER. And the conferees propose to increase the maximum by $5,000?

Mr. KEFAUVER. The conferees proposed to increase the maximum so as to provide for a range from $12,000 to $20,000.

Mr. ELLENDER. What caused the Senate conferees to change their minds? As I remember, when the distinguished Senator from Minnesota [Mr. THYE] submitted an amendment to the Senate bill to include district attorneys, the Senator from Tennessee took the position that inasmuch as we were dealing with salaries of the judiciary and of Members of Congress, it was not felt that the salaries of district attorneys should be covered by the bill, but should be excluded from it.

Mr. KEFAUVER. Yes.

Mr. ELLENDER. What caused the conferees to change their minds?

Mr. KEFAUVER. The position I took in the debate was the position of the Senate conferees in the conference. I will say frankly that that is the way I feel now, and I think all the other Senate conferees feel that this is a subject which should be handled in separate legislation. However, the House conferees receded on the matter of legislative increases, and on raising the ceiling for certain legislative employees. This was a conference of give and take.

We felt that authorization of an increase in the salaries of district attorneys had a close connection with problems affecting the judiciary, in the administration of justice. We felt that the salaries of district attorneys were closely related to judicial salaries. We had to recede in order to bring a bill out of conference.

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

Mr. KEFAUVER. I yield.

Mr. ELLENDER. As I recall, the congressional salary level fixed in the House version was $22,500, plus an expense account. The Senator stated that the conference was a matter of give and take, and that in order to reach an agreement, the Senate conferees receded with respect to the provision for district attorneys, but with respect to the salaries of Members of Congress, the House conferees receded.

Mr. KEFAUVER. No. I stated that with respect to legislative employees, the House conferees receded. I refer to section 4 of the House version of the bill. The Senator will recall that the bill proposed to increase the salaries of professional staff members, and also of clerical employees of Congress.

Mr. ELLENDER. Did not that provision relate only to the staffs of committees, that is the heads of committee staffs?

Mr. KEFAUVER. It would have increased the salaries, not only of the heads of committee staffs, but of all professional staff members.

Mr. ELLENDER. I thought the House version of the bill pertained to committee staffs only, and not to the staffs of the Members of Congress.

Mr. KEFAUVER. That may be correct, although I believe that employees in a Senator's office whose salaries are held down by virtue of the classification ceiling of $11,646 would be benefited by raising the ceiling.

Mr. ELLENDER. With respect to the salaries of Senators and Members of the House, they were the same in both bills, except that in the House version there was a $2,500 expense account.

Mr. KEFAUVER. That is correct.

Mr. ELLENDER. The conferees agreed to split that in half, did they not?

Mr. KEFAUVER. No; that was not the agreement. Let me say that in the conference we spent most of our time arguing in favor of the Senate position relating to salaries of Members of Congress. The House conferees were adamant in insisting that there should be an increase of $2,500 over that provided by the Senate bill. It seemed that we would not be able to reach any agreement. The salary increase under the House version of the bill would have been retroactive to the beginning of the term of Congress; that is, January 5.

Finally, in the give and take of the conference, the House conferees agreed with us as to the effective date. They gave up the idea of the $2,500 increase. However, there was a great deal of discussion in the conference meeting, as there has been a great deal of discussion in the Senate, as to expenses which Members of Congress must meet, over and above the allowance which is made for legitimate and necesary office expenses. I refer to such items as overage in stamps, long-distance telephone calls, telegraph expense; subscriptions to newspapers to which Members of Congress must subscribe, although perhaps not necessary; subscriptions to the Congressional Quarterly and other congressional aids; duplicating machinery which is used in informing constituents or issuing newsletters; and perhaps amounts paid out of the pockets of Members for research or for occasional employees. In the compromise which was reached the House conferees agreed to accept the Senate version in regard to the effective date, and in lieu of the $2,500, there was provided $1,250 a year, though not by way of salary.

Mr. ELLENDER. It is an additional cost, however, is it not, which is equal to 50 percent of $2,500, the amount provided in the House bill?

Mr. KEFAUVER. I read from the conference report at the bottom of page 2:

> (b) For the purpose of assisting in defraying expenses incurred in the operation of their respective offices, each Senator, Representative in Congress, Delegates from the Territories, and the Resident Commissioner from Puerto Rico shall be entitled to reimbursement for such expenses for each fiscal year at the rate of $1,250 per annum, which shall accrue quarterly and be paid in quarterly installments upon itemized vouchers certified by such Senator, Representative, Delegate, or Resident Commissioner.

The provision further states that this amount of money shall not be considered as salary for purposes of retirement.

In answer to the Senator's question, I do not believe it would amount to an additional $1,250, because many Senators and Representatives—and I believe this is particularly true with reference to Representatives, because they do not represent an entire State—would not have official and legitimate expenses growing out of the conduct of their offices over and above what they are already allowed.

I submit to the Senator from Louisiana it seems to me there is justification for some allowance for this kind of expense. Without it, it is impossible for Senators to operate their offices without paying for them out of their own pockets. Only yesterday, for example, my secretary brought me approximately 20 checks to sign for subscriptions to newspapers over the State. I believe all of us subscribe to newspapers, and all of us take many other aids. As private citizens, we would subscribe to the hometown papers, and perhaps one or two other newspapers. I believe every Member subscribes to 50 or 60 newspapers. This extra allowance can be used only for expenses for which itemized statements are submitted showing that the expenses have been incurred in connection with the necessary operation of the office of a Senator or Representative.

Mr. ELLENDER. Mr. President, am I to understand that the Senator from Tennessee subscribes to as many as 50 or 60 newspapers from his State?

Mr. KEFAUVER. I believe I take about 100.

Mr. ELLENDER. Does the Senator know of any other Senators who do that?

Mr. KEFAUVER. I do not know what other Senators do. I do know what I am doing.

Mr. ELLENDER. I have been in the Senate for 18 years, and I have not taken so much as one newspaper subscription, as I recall. We have newspapers available to us in the reading room commonly known as the Marble Room. I use those newspapers.

Mr. KEFAUVER. I take quite a number of county newspapers and weekly newspapers, which are not available to us in the Senate. Of course, the subscription cost in each case is only two or three dollars a year.

Mr. ELLENDER. I cannot agree that subscriptions to newspapers would be a legitimate expense to operate one's office. Suppose a Senator desired to use any part of the $1,250 for the purpose of increasing the salary of a clerk in his office. Could he do it?

Mr. KEFAUVER. I should not think so.

Mr. ELLENDER. Therefore, the amount is to be used merely to pay actual expenses along the line the Senator has indicated. Is that correct?

Mr. KEFAUVER. The Senator is correct.

Mr. ELLENDER. That is, for newspapers, for example, if he desires to subscribe to them?

Mr. KEFAUVER. I believe that if a Senator engages a person to do some special work for him or to do some research, or if he employs an extra secretary for a day or two, he would be justified in paying such a person out of the allowance.

Mr. ELLENDER. But not a regularly employed clerk; is that correct?

Mr. KEFAUVER. That is correct. A regularly employed clerk would have to be compensated out of other appropriations.

Mr. ELLENDER. Can the Senator tell us what the difference is in cost as between the bill passed by the Senate and the one now before the Senate for consideration in the form of the conference report?

Mr. KEFAUVER. The maximum amount which would be added to the Senate bill, if every Representative and every Senator should have maximum expenses which amount to $1,250 in each case—which I do not believe would be true—would be about $700,000.

Mr. ELLENDER. The Senator means that if each Senator used the full amount provided in the bill now under consideration it will cost about $700,000 more a year than the bill as passed by the Senate a few days ago?

Mr. KEFAUVER. It would be $1,250 times 531.

Mr. ELLENDER. What about the number of trips home permitted the Members of Congress? As I recall, the House provided for one trip, and the Senate provided for five trips.

Mr. KEFAUVER. That is correct.

Mr. ELLENDER. To what extent did the House conferees object to the five trips? Did the Senator from Tennessee have much trouble in getting the House conferees to adopt the Senate version of the bill in that respect?

Mr. KEFAUVER. In the debate on the floor I believe even the opponents

of the bill agreed that the actual expense of returning to one's State or district a limited number of times, if one had to take such trips, should be compensated for. There was no criticism of that provision from any source, even from Senators who had opposed salary increases.

Mr. ELLENDER. In respect to those extra trips, provided for in the bill, I understand they must be clearly for official business. Is that correct?

Mr. KEFAUVER. That is correct. All the legislative background shows that the payments are to be made on a mileage basis, and it is contemplated that the Committee on Rules of each House will adopt rules which will follow the official allowance with respect to mileage expenses in force for other Government departments. I believe the amount at the present time is 6 cents a mile.

Mr. ELLENDER. I wish to thank the Senator from Tennessee. It is my hope that the conference report will be rejected. I object to these fringe benefits. In fact I am against the bill. One of the arguments advanced for more pay is the tremendous expenses a Senator is put to and yet we provide, somehow, for most of these extra expenses. As I stated in debate I would have been willing to vote for a reasonable increase in salary in keeping with the increased cost of living. Mr. President, I wish to again thank my friend from Tennessee for answering my questions.

Mr. KEFAUVER. I thank the Senator from Louisiana for his questions.

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

Mr. KEFAUVER. I yield.

Mr. FULBRIGHT. The $1,250 amount disturbs me a little. I am not quite reconciled to it. Is it not correct to say that the expenses for which that amount is designed are deductible on the income tax return?

Mr. KEFAUVER. They are at the present time; that is correct.

Mr. FULBRIGHT. At the present time?

Mr. KEFAUVER. Yes.

Mr. FULBRIGHT. With the rather substantial salary increase carried by this bill, which would put most, if not all, Members of Congress in a higher income tax bracket, the payment of the expense charges would not be a very great burden.

Mr. KEFAUVER. I may say to the Senator that I, too, am not happy about the $1,250 item.

We did not want it. We tried to get the House conferees to strike it out. I do not know what else we could do. We had to reach an adjustment between the bill the House passed and the bill the Senate passed. I think it is a fair compromise. As the Senator from Oregon [Mr. MORSE] so well stated, there are aids in connection with the necessary things which Senators and Representatives must do, but we all know the expenses exceed the allowance we receive. I have had to pay something additional for telephone calls and telegrams. Undoubtedly the Senator from Arkansas has had to do likewise, for example, in the matter of addressograph or duplicating machines. I am not happy about it, but it is a compromise.

Mr. FULBRIGHT. I appreciate the Senator's position as a conferee. I am glad to hear him say he is not happy about it. Not having been a conferee, I am in position to object to it, and I think I shall have to vote against the conference report. I think it is not justified on the facts.

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

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

Mr. MONRONEY. Mr. President, I am terribly disappointed in the conference report which has been submitted to the Senate. In the Reorganization Act, when the congressional salaries were raised from $10,000 to $15,000, we at that time tried to make it a clear, clean-cut matter of pay and not a series of special allowances and special things attached as extra emoluments of office. I was glad when we made the $2,500 expense allowance taxable as salary.

The Senate voted to increase congressional salaries to $22,500, a 50-percent increase over what we had been receiving. Then we sent the bill to conference. I am deeply disappointed to find now another "gimmick" tied to it.

I am becoming tired of hearing talk about getting free haircuts. I am glad to pay for my own haircuts. With the tip included, the cost is the same as it is outside. If our job is of value in service rendered to the country I think we are entitled to some increase in salary. I feel the motion of the Senator from Louisiana for a lesser amount should have been agreed to. But, certainly, we should not go over $22,500. We are in the undesirable position of being the only ones under the law who can fix our salaries. It works both ways. It works to retard, to delay, and to keep the Members of the Congress usually behind the rising costs of living and inflation. But it also places upon us the responsibility of seeing to it that what we vote for ourselves can be fully justified.

As I read this device, if I can charge the cost of my local newspapers, my Christmas cards, or flowers sent to bereaved persons in my State, and other expenses which are so broadly and carelessly defined in the language, the public will consider it to be an additional $1,250. Of course, Members may be supposed to account for it, but would the Rules Committee of the Senate or the Accounts Committee of the House measure and pass those items? I do not see it provided for in the language of the bill. The salary voted by the Senate only day before yesterday includes money to be spent for expenses in an amount far exceeding the $1,250 provided as an expense allowance in the bill. Much of the salaries accruing to the office of Senator and Representative go for things that would be normal expenses in an attorney's office or in private business. I think this extra amount is uncalled for in this bill. Congress has it in its power to put into its operational expenses whatever deficiency might need to be met.

In the matter of stamps, we receive an adequate allowance for airmail stamps. I understand the franking privilege is still available to the Members of the House and Senate. If we want to send Christmas cards by the thousand, or if we wish to put stamps on our news letters or other things, we have no right to charge campaign expenditures to the Treasury.

I rather think we are adequately recompensed in our allowances. I had the privilege of checking my telegram account and found I had used less than half of the amount allowed over the years, and slightly over half of the telephone expense allowed. I was surprised in checking my stationery account to find that there was a $1,000 balance remaining. Possibly I am a very poor Senator and possibly I do not keep in sufficiently close contact with my constituents, but I feel that in trying to operate Government business there are economies that should not call for a wastage of telephone calls or telegrams or an overemphasis on supplies and stationery.

I feel that because we are in a position which no one wishes to occupy, of being forced under the law to fix our own salaries, we must always lean over backward to be sure that what we do is within the range of propriety.

For that reason, Mr. President, I am hopeful that the Members of the Senate will send the report back to the conference with the demand that the $1,250 additional expense be stricken from the bill, and that we may have a straightforward, fully taxable $22,500 salary which, to my way of thinking, is perfectly adequate, if not more than adequate to cover our salaries and the necessary business expenses which always have been considered part and parcel of the salary paid to us as Members of the Congress.

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

Mr. KEFAUVER. I wish to make a brief comment, and then I shall yield the floor.

Mr. President, I appreciate fully the attitude of the distinguished Senator from Oklahoma. We made pretty much the same argument for a long time in the conference. Perhaps it is unfortunate that there were not present other Senators who might have made a more forceful argument. But in a conference report we cannot have our way about everything. There were approximately 6 or 7 points of disagreement. We got our way on almost everything. The report represents the best compromise we knew how to make. We felt that if we got salaries out of adjustment, we would have to change many other parts of the bill. So far as the question of additional expenses is concerned, if a Senator or a Representative does not have them, he will not charge them. We did the best we could in the conference. I hope we can have an early consideration one way or the other. If the Senate does not like the report, it can send it back to conference.

I now yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first let me make it clear— —

Mr. KEFAUVER. Mr. President, may I yield the floor?

Mr. DIRKSEN. Did the Senator yield time to me?

Mr. KEFAUVER. I do not have control of the time.

Mr. DIRKSEN. Mr. President, I ask for recognition.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The Senator from Tennessee has yielded the floor. The junior Senator from Illinois is recognized.

Mr. DIRKSEN. I wish to make it clear to the Senate that this proposal is not on all fours with the way the expense allowance was originally provided. I share no disappointment such as that voiced by the distinguished junior Senator from Oklahoma. Years ago I was on the joint committee with him when the Legislative Reorganization Act was drafted.

The $2,500 expense allowance was the result of a floor amendment in the House of Representatives. My friend from Oklahoma knows that quite well. He is familiar with the history of that allowance. The amount of the expense allowance was fixed at $2,500, to be accredited on a monthly basis to every Member. It appears on the Senator's fiscal sheet in the disbursing office every month. That is the way it always has appeared. It required no voucher; it required no itemization whatsoever; it was an automatic accretion. I have no doubt that actually it was an addition to the salary check, because the Internal Revenue Service at that time simply required that a Member scrawl on his income-tax blank a statement to the effect that the $2,500 was fully expended, and no other questions were asked.

The provision was amended by a resolution or an amendment, which was offered on the floor of the Senate by the distinguished Senator from Delaware, by inserting the words "No accounting shall be made except for income-tax purposes."

Let us consider what the new language does. I was not too happy about it, but I think we have it nailed down. I trust that no senatorial arrogance will ever come into my mind which will make me feel that I am superior to any one of the 435 Members of Congress at the other end of the Capitol.

When all is said and done, proposed legislation before conferences and in conference reports is a matter of compromise. The House receded on the retroactive feature. The House receded on the disparities in judicial salaries. The House receded on quite a number of items. Finally, this item became the bone of contention, and it was worked out.

First, we said that the $1,250, which is only half the amount allowed in the House bill, should be for the operation of the respective Members' offices. If any Member has a flexible viewpoint and wishes to buy wedding flowers, funeral wreaths, or Christmas cards, that will be for the individual Member to determine. But the language is clear that the amount provided is for the operation of the respective offices of the Members. I do not intend to go around monitoring any senatorial conscience as to whether a Senator is buying Santa Claus cards, when the language of the bill is "the operation of their respective offices."

If I were a member of the staff of the disbursing office, and an item for Christmas cards came in, I would disallow it. I think I would be in a position to do so.

So the committee of conference required, first, that the funds be limited to the operation of a Member's office.

Next we provided the language: "shall be entitled to reimbursement."

There is nothing automatic about this. It is not accredited to any Senator. At the end of a quarter, after he has spent the money for an office operation, he must submit an itemized voucher before he can be repaid. If he does not submit a voucher, he will receive no money.

Under present law, the amount is automatically placed upon a Member's pay sheet. But under the proposed language there is nothing automatic about it. If a Member does not spend the money, he cannot be repaid a dollar.

In the report we tried to recite that money spent for robot paper, robot machines, telephone calls, and telegraph services would be proper office expenses.

My friend from Oklahoma says that he has money left over. I make long-distance telephone calls very frequently. I have an idea that in most months it costs me $75 out of my own salary, because when emergency situations, hurry-up situations arise, I do not send letters; I call up the persons in the State of Illinois. I think they like that kind of service, and I like to give it to them. So I consider that to be a legitimate office expense.

If I want to go to the trouble to file a voucher at the end of a 3-months' period and say that I have spent so much for long-distance calls, and I have paid for them, I think I am entitled to reimbursement of the money I have spent. If I have paid the money out of my own pocket, I do not think I should have to pay an income tax on it after I have expended it in the service of the people.

The language reads: "It shall accrue quarterly." I think we have nailed down the language pretty well. I do not care particularly what appears in the press about it. This is entirely defensible language. We have put it in better shape than it was before.

A question arose about clerk hire. If a Member hires extra personnel in his office for a couple of weeks to attend to an avalanche of mail, that is a legitimate office expense, and a ceiling of $1,250 a year is provided for it. This is a ceiling, and there is nothing automatic about having the amount repaid. If a Member does not wish to go to the trouble of filing a voucher with the Disbursing Office, he will not get back any of the $1,250. His pay sheet at the end of the month, showing how much has been allocated for salary and how much has been deducted for income tax withholding purposes, will not disclose an amount for office expense. Either a Member must spend the money and then submit a voucher for reimbursement, or else he will receive none of the money.

I have regard for the 435 Members of the other body. This is one item on which they were quite adamant. There was a little feeling of dissidence, which was a carryover from last year. When we went to conference on the pay bill, on the provision involving retirement, the Members of the House wished to put themselves in the same position as that occupied by every employee of the United States Government on the civil service rolls. Every employee, whether he is in grade 1 or grade 18, is entitled to compute his earnings for the five highest years for purposes of his retirement. An effort was made in conference to include such a provision. There were 11 conferees from the House at that time. It was the Senate conferees who put their foot down on the proposal. Nothing was done, but it should have been done. The House has been smarting a little about it. They have been very much interested in it.

I remind Senators that there was not a single dissenting vote at 15 minutes after 12 today when the House agreed to the conference report. I suggest, therefore, in view of the fact that this is defensible language, and since Senators cannot get the money unless they spend it, and it must be for the legitimate operation of their offices, that they should be pretty careful about recommitting the report to conference and making it necessary to go back to the House.

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

Mr. DIRKSEN. I yield.

Mr. MONRONEY. The junior Senator from Illinois serves on the Committee on Appropriations. He certainly knows that in connection with appropriation bills the practice is that both Houses, or either House separately and individually, can write whatever limit it wishes to write into an item for office expenses and an allowance for the necessary needs of Members to operate their offices.

If the Senate in its wisdom should choose not to participate in the $1,250 allowance, the Members of the House would not be proscribed from taking action on an appropriation bill for the legislative branch, and fixing whatever additional allowance it might wish to provide for long-distance telephone calls, telegrams, photoengravings, broadcast-scripts, airmail stamps, and all the other perquisites, including all the weekly and daily newspapers published in their respective districts, if they wished to do so. That is within their power.

But the point I desire to make is that this is a pay bill. There is nothing in it about the amount of stationery which Federal judges may have. There is nothing in the bill about the operational expenses of the offices of other Federal officials. This is a pay bill. I feel certain, considering the diligence and care which the distinguished Senator from Illinois exercised in connection with the pay features of the Legislative Reorganization Act, that he is fully conscious of the fact that the best light in which Congress can stand is to keep the bill as a pay bill, and to announce to the whole country and the whole world exactly what we are receiving.

If reimbursement for other items is considered to be necessary, let it be handled in a bill in which it properly belongs, but not in a pay bill.

Mr. DIRKSEN. Mr. President, I make two answers to the Senator from Oklahoma. The easiest answer I can make to him is that he would not have to file a single voucher, and could leave the $1,250 in the Treasury. That is infinitely easier than going before a subcommittee of either of the appropriation committees. This is a matter for every Senator to determine. If the Senator wants to be flexible about it, it is all right with me. I know what I think office expense means, and when I file a voucher for office expense, it will be office expense for an activity in the public interest.

The other answer I make to the Senator is that I do not know whether he has had the experience of going before a subcommittee of the Committees on Appropriations, either in the House or in the Senate. I served on the Appropriations Committee in the House for 12 years. I know what a tough nut it was to crack to get a dollar out of the Appropriations Committee, and I know how the committee constantly sat down upon every effort of Members to get the wherewithal to operate properly their public offices. Then, of course, there is the usual timidity that always is evidenced.

I say this not disparagingly, but, Mr. President, our pleas are frequently disregarded. I went before the subcommittee on legislative appropriations on a number of occasions. I protested the fact that rugs in a great many Senatorial offices were not fit to be there, because those offices are public offices, and I was heartily ashamed of the kind of rug I got when I moved into suite 204. I continued my efforts until 50 rugs were purchased, and, thank goodness, I received one of them for my office. I want to be proud of my office when my constituents visit it, as a great many of them do.

I appeared before the Appropriations Committee requesting additional personnel. It was like pulling teeth to get clerical help—and I happened to be a member of the Committee on Appropriations. The Senator who was chairman of the committee at that time does not happen to be present on the floor at the moment, but I fairly begged for a couple of clerks. I had to compromise. I wanted three. I was told, "We will give you one."

Why are we so niggardly about our own affairs, I should like to know? Do we not want to do a good job, Mr. President? Can my colleagues not explain their need to their constituents? If I thought for one moment that enough of my constituents had some doubt about my integrity in public office and the expenditure of this fund, I would quit the Senate. It is just that simple.

When are we going to get over our timidity? When are we going to vote for ourselves the instrumentalities which are necessary in order that we may serve the public? The selfishness lies on the side of not asking for the tools and instruments with which to do the job. Running a senatorial office has become almost an industry. I do not know how the volume of the mail and the telephone calls of the Senator from Oklahoma run, but I am up to my ears in such communications all the time, and we must have the equipment with which to carry on the functions of our offices.

I think the members of the conference committee have done a good job. Provision has been made whereby payments for expenses will no longer be automatic. A Senator will receive reimbursement if he asks for it and is willing to sign his name to a voucher and certify that he has expended the amount in the operation of his office. We have written that provision into the bill. What more shall we do?

I hope the Senate will not reject the conference report. I think it would be an act of timidity on the part of the Senate. I would rather stand up for it than make that kind of confession.

Mr. WILLIAMS. Mr. President, I shall oppose the conference report. I should like to review briefly the history of the tax-exempt features. Several years ago Congress extended to the President of the United States an increase in his salary making it $150,000, with $100,000 of that salary taxable and $50,000 tax-exempt. At the same time $10,000 of the salary of the Vice President was made tax-exempt and nonaccountable, $2,500 of the salaries of Members of Congress was likewise put in the tax-exempt category. I opposed these tax-exempt features.

Later, I was the author of an amendment, which was overwhelmingly adopted by the Senate and the House, repealing all three of those tax-exempt features. Now if we accept this provision we will be in the position of having left repealed the tax exemption for the President and for the Vice President, but of partially restoring the tax-exempt features for ourselves, and ourselves alone.

This is not a question of whether or not a Senator has enough money to operate his office. I recognize that some of the Senators from the larger States are handicapped and will help correct that condition at the appropriate time.

This is simply a question of whether we shall or shall not give to Members of Congress a special tax exemption that is not extended to other taxpayers.

I have said many times on the floor that I would support the necessary authorization to reimburse Senators from larger States for their legitimate office expenses. We who come from smaller States are not confronted with that same problem. However, the proper way to provide for the necessary funds to operate the offices of Senators from the larger States is by making direct appropriations, as the Senator from Oklahoma pointed out. Let it be kept in the class of expenses alone and not by payments to the Members of Congress as salary.

I think the bill should be strictly a salary bill. I voted against it at the beginning, but that is beside the point, Mr. President. Congress passed the bill, but now the conference report is worse than the bill.

If the conference report is rejected, as I think it should be, I shall immediately make a motion that a new conference committee be appointed with instructions to insist upon the elimination from the conference report of the language in subsection (b) of section 4 amending section 601 of the Reorganization Act of 1946. The rest of the conference report would not be affected by the motion.

I think it is very important that we impress upon the American people the fact that Members of Congress are enjoying no more privileges in the payment of taxes than anyone else. It is very important for their morale that every public official be required to pay taxes in the same manner as every other citizen is required to. There is no justification for having special tax exemption provided for Members of Congress, and I hope the conference report is defeated and new instructions given to the conferees.

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

Mr. WILLIAMS. I yield.

Mr. ERVIN. I should like to ask the Senator from Delaware if a Senator does not actually expend any money for office expenses and does not file a voucher for reimbursement, how much tax exempt income will the Senator get under the $1,250 provision?

Mr. WILLIAMS. A Senator would not get any, but under the existing law a Senator is allowed up to $3,000 in expenses. Under the present law there is one expense account. Why should Members of Congress now have two expense accounts?

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

Mr. WILLIAMS. I yield.

Mr. ERVIN. The $3,000 the Senator talks about is nothing in the world but a limitation on Senators and Representatives.

The limitation does not apply to anybody else in the United States. A business man who incurs expenditures during the course of earning his income, including traveling expenses away from home, is entitled to deduct them as ordinary expenses in computing his income tax. The provision mentioned by the Senator from Delaware merely puts Members of Congress on the same plane as other citizens in the United States, except that it puts on Members of Congress a limitation of $3,000, to which other citizens are not subject.

Mr. WILLIAMS. The Senator is partially correct. There is a limitation spelled out for Members of Congress which is not spelled out for all other taxpayers. On the other hand, that provision for an exemption up to $3,000 is authority for the Internal Revenue Bureau to allow Members of Congress allowances up to $3,000, whereas all other taxpayers have no such ceiling. They can go up to X amount as agreed upon by the Treasury Department. Many times taxpayers are disallowed claims way below $3,000. It works both ways. The provision has advantages and disadvantages.

However, that still has nothing to do with the question now before us. The

question before us here today is, Shall we or shall we not give ourselves another $1,250 top exemption?

Mr. HOLLAND. Mr. President——

Mr. WILLIAMS. Does the Senator from Florida desire me to yield?

Mr. HOLLAND. I should like to have the floor.

Mr. WILLIAMS. I conclude by saying that I hope the conference report is defeated because it seeks to reestablish for Members of Congress a special privilege which we have taken away from the President and the Vice President. I think we should stand on our action as a matter of principle.

Mr. MONRONEY. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MONRONEY. Is it not a fact that expenses beyond those which would be covered within the extra $1,250 will be paid out of the $22,500 which the Senate and the House have provided under the bill?

Mr. WILLIAMS. They will be paid either out of the $22,500 or out of other expense accounts which we are allowed. We are allowed expenses for telegraph, telephone, stationery, and so forth. Those items can be paid for either out of the various expense accounts, our salaries, or out of the $3,000 itemized expense account. This $1,250 account is merely a nontaxable addition to our salary.

Mr. MONRONEY. Let me also say that the $1,250 provided by this measure will not be subject to examination by the Bureau of Internal Revenue, for a determination in any way, shape, or form, as to whether it is taxable or nontaxable. It is declared nontaxable, as a necessary office expense, by the language of this proviso. So it is, in effect, a nontaxable amount which is being allowed in this measure.

Mr. WILLIAMS. That is my understanding.

Mr. MONRONEY. Let me further point out that the only right of supervision or the only right to audit or check or define what this particular category of general office expenses might be, would accrue either to the individual Senator or Representative, according to his conscience; or, perhaps, if we were to pass supplemental legislation, such expense items could finally be audited by the Senate Disbursing Office or the House Disbursing Office.

Mr. WILLIAMS. That is correct. Furthermore, the first time the Disbursing Officer made an adverse ruling which we did not like, we could put another disbursing officer in his place.

Mr. MONRONEY. In other words, if this allowance is to be made, it should be made subject to approval by the Bureau of Internal Revenue, just as in the case of any other item of this sort.

Mr. WILLIAMS. Yes.

As I have already said, the Members of Congress from the larger States have a bona fide claim for more office allowance, and I would support legislation to take care of their situation. For instance, the senior Senator from Pennsylvania [Mr. MARTIN], who represents the large State of Pennsylvania, which adjoins my State, is allowed approximately 30 or 40 percent more for office expenses than I am allowed; but in the one city of Philadelphia alone there are many times the total number of people in Delaware. However, the proposal before us here today does not correct this inequity.

Mr. WATKINS. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. WATKINS. How could such expenditures be taken care of under the proposed arrangement?

Mr. WILLIAMS. Only to the extent that a Member of Congress could charge against the $1,250 some of his office expenses which otherwise he would not be able to handle in some such manner. Technically, it might be said that none of the $1,250 would accrue to a Member of Congress; but that amount could be used to reduce his expenses, which otherwise he would have to pay out of his salary of $22,500.

Mr. WATKINS. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS. I yield.

Mr. WATKINS. So far as I personally am concerned, I can take care of the expenses of my office without having the proposed additional allowance, and probably I would never certify—except in the case of the development of a most unusual situation—that such unusual expenses had been required, so that I would request such a reimbursement.

But after hearing the stories told by various Senators and Representatives who are in a far different category, I reached the conclusion that this allowance is justified. Many Representatives and Senators today have to pay out of their own pockets a considerable portion of the expenses of their offices. It was largely because of that situation that this fund was allowed.

In the conference, after listening to the pleas and explanations of the conferees on the part of the House, we arrived at this report, and we can justify it. There can be no legitimate criticism of Members of Congress who have to spend, as legitimate expenses of their offices, this amount of money.

Mr. WILLIAMS. But I think the Senator from Utah will agree with me that this $1,250 allowance will not begin to take care of the differential which should be recognized as between the expenses of a Member of Congress from Pennsylvania, California, New York, or any other large State and the expenses of a Member of Congress representing one of the smaller States, such as those the Senator from Utah and I represent. The $1,250 will not answer that problem. Certainly it does not answer the problems of the Members of Congress who represent the larger States.

My personal opinion is that the conference report should be rejected, and we should keep our salaries on the basis of being 100 percent taxable so that all Members of Congress would be under the same provisions which apply to all other taxpayers, and the same as the ones which the Congress has imposed upon the President and the Vice President. Only a short time ago, Congress voted to end such an arrangement, insofar as it would apply to the President and Vice President of the United States. We deprived them of that tax exemption, and apparently we did so on the basis that such an arrangement was not justified. Certainly we cannot properly do otherwise for ourselves.

Mr. WATKINS. But we put a stop to allowing the President and Vice President to be in a position of not having to certify to such expenses, by way of vouchers. In our case there would have to be vouchers. I assume that no Member of Congress would attempt to juggle the figures in regard to his legitimate office expenses, in order to obtain an allowance to which he was not entitled.

Of course the conferees on the part of the House insisted that $2,500 is not sufficient to take care of the situation. In the report we agreed to a compromise of $1,250.

Under the circumstances, I think the conferees were justified in doing what they did.

Mr. WILLIAMS. I appreciate the problem with which the conference committee was confronted, but at the same time we in the Senate have to vote either to accept the report or to reject it. As I have previously said, I think it is well for the Members of Congress to keep their salaries 100 percent accountable and taxable.

Mr. HOLLAND. Mr. President, I agree completely with the statement which has just been made by the distinguished senior Senator from Delaware [Mr. WILLIAMS], to the effect that he does not believe the Senate should approve the conference report. I take the same position. I think the Senate should disapprove the report, and should do so on the sole ground the Senator from Delaware has mentioned.

I do not believe it would be a long or a difficult task for the conferees to bring in a new report, if they were given instructions to bring in a report eliminating this particular provision with respect to the expense account of $1,250.

I thoroughly agree with the statement made by the Senator from Delaware, to the effect that the Senate has been on much stronger ground since the law was changed several years ago, when we changed the earlier provisions of section 601 (b) of the statute, under which the whole amount of $2,500 a year was then not subject to any accounting, and not subject to the payment of income taxes, so that, in effect, we added the $2,500 to the $12,500 salary we received, and made the additional amount just as subject to income tax as was the $12,500.

If we begin to attach to this salary bill provisions which will raise in the public mind questions about the propriety of what we are doing for ourselves, I think we shall be making a very great mistake.

I call attention to the fact that, whether we want it to be so or not, we are in the very difficult position of having to legislate in our own behalf. In that respect, our situation is not an easy one; but the Congress is the only place, under our law, where the very acute problem of inadequate salaries for Members of Congress can be dealt with. However, when we are doing for our-

selves what we think is necessary and right and defensible, I do not want to have us include in this measure something which will point the finger of suspicion at every Member of Congress and will renew the wholly unsatisfactory position or situation which existed prior to the time when we made the amendment of some years ago.

Mr. President, I wish to say that I think the conferees have done many things which are good, in the conference report; and I wish to say that I think the provision regarding section 601 (b), which they suggest in the report, is an improvement over what was in the House version of the bill, because the House version was silent as to section 601 (b), and would have left that provision exactly as it was before.

But, Mr. President, even though the conferees have made progress in this particular, as well as in other matters, I think that in this one matter the conference report is so far inadequate and so far from doing what we wish to do in this matter, that the report should be rejected, and that the conferees should be directed to hold a further conference.

In order that the RECORD may clearly show that the conferees have accomplished something—and then I shall return to the argument in criticism of the one thing which I believe the conferees have not done properly—I wish the RECORD to show at this point the earlier provisions which have been written into law in regard to this particular matter of expense accounting.

First, Mr. President, I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks, section 601 (b) of the original Legislative Reorganization Act; and in that connection I point out that the critical words in it, relative to the $2,500 allowance, which was made by that original provision, are these: for which no tax liability shall incur, or accounting be made."

The PRESIDING OFFICER. Is there objection?

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

SEC. 601.

* * * * *

(b) Effective on the day on which the 80th Congress convenes there shall be paid to each Senator, Representative in Congress, Delegate from the Territories, Resident Commissioner from Puerto Rico, an expense allowance of $2,500 per annum to assist in defraying expenses relating to, or resulting from the discharge of his official duties (for which no tax liability shall incur, or accounting be made), such sum to be paid in equal monthly installments.

In other words, that was a tax-free allowance which got every Member of Congress in trouble, so long as it was on the books, in trying to explain why it was there, and why, in legislating for ourselves, we had placed a provision in the law which differentiated between Members of Congress and other citizens of the United States.

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

Mr. HOLLAND. I yield.

Mr. MONRONEY. The Reorganization Act provided for a straight $15,000 salary, with no tax deductibility other than the normally deductible items as shown by an itemization. The Senate passed the bill with a figure of $15,000. It went to the House. The bill contained the figure of $15,000. However, a floor amendment was inserted, over the objection of those of us who helped to pass the Reorganization Act, and for many years embarrassment resulted to Members of Congress. That provision was not in the original Reorganization Act.

Mr. HOLLAND. I fully understand that the bill reported by the joint committee was not in the form which I have placed in the RECORD. However, when I refer to the original Reorganization Act, I refer to the act as passed, as it became law, and as it was published. I hold in my hand one of the original publications of the Reorganization Act of 1946, from which I have quoted for the RECORD.

By subsequent amendments, section 601 (b) was amended to read as set forth in a compilation printed in 1953, which I hold in my hand. I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks the changed or amended provision 601 (b), as passed by the Congress, and as it become effective at that time.

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

(b) Effective on the day on which the 80th Congress convenes there shall be paid to each Senator, Representative in Congress, Delegate from the Territories, Resident Commissioner from Puerto Rico, an expense allowance of $2,500 per annum to assist in defraying expenses relating to, or resulting from the discharge of his official duties, for which no accounting, other than for income-tax purposes shall be made; such sum to be paid in equal monthly installments.

Mr. HOLLAND. The critical words which appear in that particular subsection, differentiating it from the one which was in the original measure as passed, are these: "For which no accounting, other than for income tax purposes, shall be made."

In other words, it was made very clear by the amendment that the $2,500 was subject to income tax, and was just as subject to income tax as was the $12,500, which, to all intents and purposes, meant that from that time forth the salary was $15,000, subject to all the provisions of the income tax law.

The House bill on this subject was silent as to section 601 (b), as it came over from the House, simply providing that only a part of section 601 (a) should be amended, leaving even the rest of section 601 (a) unchanged, and leaving in the law all of section 601 (b) as amended, as I have already placed it in the RECORD.

In order that the RECORD may show just what the provision of the House bill was, I ask that there be printed in the RECORD at this point as a part of my remarks section 4 (a) of House bill 3828, appearing in lines 10 to 17, inclusive, on page 4 of the House print of the bill.

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

SEC. 4. (a) The matter preceding the semicolon in section 601 (a) of the Legislative Reorganization Act of 1946, as amended, is amended to read as follows:

"(a) The compensation of Senators, Representatives in Congress, Delegates from the Territories, and the Resident Commissioner from Puerto Rico is $22,500 per annum each; and the compensation of the Speaker of the House of Representatives shall be at the rate of $35,000 per annum."

Mr. HOLLAND. The effect of the House bill, therefore, was to leave unchanged and unaffected the amended provisions of subsection 601 (b), as Congress had changed them some years ago.

As the matter comes back to us by conference report, the conference bill does include a provision with respect to section 601 (b), which had been completely stricken from the bill by the Senate. The provision in the conference bill which we are now discussing is found at the bottom of page 2 and the top of page 3 of the conference report. I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks that part of section 4 of the conference bill which relates to the amendment of section 601 (b).

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

(b) For the purpose of assisting in defraying expenses incurred in the operation of their respective offices, each Senator, Representative in Congress, Delegate from the Territories, and the Resident Commissioner from Puerto Rico shall be entitled to reimbursement for such expenses for each fiscal year at the rate of $1,250 per annum, which shall accrue quarterly and be paid in quarterly installments upon itemized vouchers certified by such Senator, Representative, Delegate, or Resident Commissioner. Amounts paid under this subsection subsequent to March 1, 1955, shall not be deemed to be salary, pay, or compensation for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

Mr. HOLLAND. It is quite clear that in the administration of the act that provision is left pretty much to the discretion of each individual Senator.

Like the Senator from Illinois [Mr. DIRKSEN], who has already ably spoken on this question, I certainly do not expect to impugn the motives of any Senator. However, I invite attention to the fact that the arguments of the Senator from Illinois [Mr. DIRKSEN], and the Senator from Tennessee [Mr. KEFAUVER], operate as red flags, advising citizens that in the administration of the act things may be done which may be subject to question, and abuses may occur.

For example, in his argument on two or three occasions the distinguished Senator from Illinois said that he did not propose to check the vouchers which were submitted by other Senators, and that if they wanted to be flexible in their approach—and that was the word he used—that was their business and not his.

The point I am making is that that gives notice to the whole country not only that there is the possibility of misconduct under this particular provision, but that in the debate on the conference report the situation was called to the attention of the Senate by one of its ablest Senators, then advocating the approval of the conference report. He stated that just such nonuniformity,

just such flexibility, might exist in the administration of the act.

If we should approve the conference report after that kind of argument, I say that we would do so knowing that it had been represented to us that this particular amendment would not be uniform in its operation, and would be subject to mishandling and to suspicion of abuse.

The point I am making is that under this provision of the conference bill every Senator and every Representative would place himself in the position in which they were before we adopted the amendments of several years ago, under which there is suspicion that we are not treating ourselves uniformly, and not treating ourselves in the way we treat all other taxpayers of the country.

I do not think we want to be in that position. I think we want to lean backward to see that the bill, which affects us so vitally, is not subject to any such interpretation, is not subject to a situation in which we may all be suspected of not having done exactly the right thing in connection with this little item of $1,250 a year for each of us.

If this situation is to be corrected, it can be corrected best by returning the bill to conference. So far as I am concerned, if the conferees wish to place in the law an additional amount by way of salary, that is one thing. Let the question be discussed on its merits. But if they leave in the bill a provision which one distingushed Senator says is subject to flexibility in the method of approach by his brethren, and which another Senator says might be used to defray the cost of stamps on Christmas cards, and things of that kind, I do not propose to vote for a conference report which is so represented by the friends of the measure on the floor of the Senate.

While I am first to recognize that the conferees have done many worth while things, I feel that the Senate, in the preservation of its own good name, and in order to prevent Senators and Representatives from being subjected to suspicion, as we were once before, should return this measure to conference with instructions to eliminate this particular provision.

One further point and I shall conclude. If this provision were allowed to stand, it would not be at all uniform in its treatment of Senators. It differs from other parts of this measure which give uniform treatment—for example, on the question of additional travel pay for a Senator who lives in California, as compared with one who lives in Maryland. Additional travel pay will be authorized on a just basis so that one Senator would be permitted to return to his home State as many times as any other Senator would be, regardless of the distances involved.

But in this amendment it is proposed to fix an arbitrary limit of $1,250. The item of expense we hear most frequently cited is that of telephone calls. It is proposed, therefore, to provide that $1,250 of such expense may be repaid. I see sitting together the distinguished senior Senator from California [Mr. KNOWLAND] and the distinguished junior Senator from Arizona [Mr. GOLDWATER]. I invite their attention to the fact that $1,250 would not cover nearly so many telephone messages and not nearly so much time on the telephone in their cases as it would in the case of the Senator from Virginia, or the Senator from Florida, or the Senator from Delaware, or any other Senators who do not come from such great distances. In that regard the provision does not give fair treatment as between States and as between Senators and as between Representatives.

Furthermore, it differs in that regard from other provisions of law which govern us. As every Senator knows, he is entitled to use the telephone in exact equality with other Senators on a per-minute basis or on a per-number-of minimum-conversations basis. Everyone knows that it costs more to talk on the telephone to someone in California than it does to talk to someone in Florida. On the other hand, if every Senator, regardless of which State he represents, is entitled to use that method of immediate communication with constituents for the same number of minutes or for the same number of calls, that is equal treatment.

Under the present amendment nothing like equal treatment is even suggested. To the contrary, the provision is just as unequal and discriminatory as it is possible to be with reference to Senators who have the honor of representing distant States, and with respect to House Members who happen to have the honor to represent districts, which are far removed from the Capital of the United States.

I do not believe this measure should stand, and I hope the Senate will reject it, not with any feeling of hostile criticism—because there are included in the conference report many good provisions, which I hope will be retained—but with instructions, as suggested by the Senator from Delaware [Mr. WILLIAMS] to eliminate section 601 (b), which the Senate did eliminate in its version of the bill. I hope the conference report will be rejected.

Mr. BARKLEY. Mr. President, I regret that my first utterance in the Senate since my return to it should revolve around a salary bill for Members of Congress. I recall the Congressional Reorganization Act passed in 1946, and the increase it provided in the compensation of Members, together with a $2,500 expense allowance, which was made nontaxable.

That provision was included in the bill because it sought to put Members of Congress on a basis of some equality with businessmen and professional men, who are allowed to deduct their actual expenses from taxable income.

We all know what happened. Criticism was uttered against it, on the ground that Members of Congress were being treated in a different manner from other citizens, which was not the truth. Finally I believe the Senator from Delaware [Mr. WILLIAMS] offered the amendment, which Congress adopted, eliminating the nontaxability of the $2,500.

That provision is included in the present bill, but only to the extent of one-half of the amount, namely, $1,250. If the $2,500 exemption from taxation in the former bill was objectionable, certainly on the same principle the $1,250 exemption is objectionable, and should not be included in the bill. If it is included, it will be subject constantly not only to criticism, but inspection. Although a Senator will not be required to swear to his expenses, he will be compelled to itemize them. I object to it myself. If the Senate and the House wish to fix the salary at $24,000 a year, they ought to fix it at that amount, without any contingencies, and without any additions, under some false pretense that it is not salary but an expense.

I would rather vote for a straight $24,000 salary, with all of it being salary, to be expended by the Member as necessities might require, than to vote for $22,500, and for $1,250 additional under the guise that it is for expenses which must be itemized by the Senator or the Member of the House before it may be paid to him.

There is another provision to which I object. Probably I should have objected to it when the bill was before the Senate. I refer to the provision which proposes to compensate Members for 5 round trips from Washington to their respective homes. Such trips are also to be itemized and certified to the disbursing officer of the Senate before payment may be made for them.

I realize that a great many persons throughout the country believe that every Senator and every Representative gets all of his expenses paid every time he goes home. Of course, it is not the truth. A Representative or a Senator is allowed 1 round trip at the rate of 20 cents a mile from his home to Washington and when he returns home again during a session of Congress. He is compensated for the expense of 1 round trip.

I object to the feature of the bill making allowance for 5 round trips. As I have said, probably I should have raised my voice against it when the bill was before the Senate a few days ago, but I did not do so.

All of us have observed the multiplicity of duties imposed upon us in our offices and in connection with the departments of Government and the States which we represent. As a consequence, we find it necessary from time to time to absent ourselves from the Chamber. All of us have observed that absenteeism in the Senate has been developing and growing over a period of years. During my 2 years' retirement, out of circulation here, I have seen no improvement in the attendance on the floor of the Senate. It is deplored by everyone. Nobody does anything about it. Nobody can do anything about it. It is a matter of individual and personal conduct whether a Senator will work in his office or on the floor of the Senate or in a committee, or be downtown in one of the departments at the request of a constituent.

We all know that we are busy at something in the performance of our official duties. Yet, without any reflection on anyone, I have the fear that giving us five more trips from the seat of Government to our respective homes will offer the temptation to return to our homes on occasions when we might avoid

it, or when it might not be necessary. It might well constitute a temptation for more absenteeism in the Senate, which I believe would be deplorabe.

I have wondered for years how our friends and constituents feel when they come to the Senate and look down from the galleries and see a half dozen Senators on the floor, transacting the business of the Senate under the assumption that a quorum is present unless a Senator makes the point that a quorum is not present. When our constituents look down on a practically empty Chamber and go away with no explanation of the reason for the small attendance on the floor, I wonder what their impression of this great body may be. I have often been chagrined and sometimes humiliated because of the meager attendance on the floor of the Senate when important business was under consideration.

Therefore, I am not willing to vote for the conference report. I object to that provision in the bill. Perhaps it cannot be eliminated. I believe it was in the bill when it passed the Senate, although probably not in the House bill. I do not now recall. It will still be in conference if we send the bill back to the conference committee.

But I even more object to the $1,250 provision which I fear will bring about such a condition as that which we remedied a few years ago. We may again be called upon to apply a remedy if we insert the provision in the bill at this time.

Therefore, Mr. President, I shall vote to reject the conference report in the hope that the conferees may eliminate the $1,250 provision and the provision for 5 additional round trips in the course of a year.

I regret to take this position, Mr. President, because I realize the need for some increase in the compensation of Members of the Congress, but it seems to me that we should provide for the increase by a fixed sum and omit these petty and extraneous things under the guise of which it may be said we are trying to increase our compensation.

For those reasons, Mr. President, I shall vote to reject the conference report.

Mr. ERVIN. Mr. President, I should like to make a number of observations simply because some of the things which have been said on the floor would indicate that the conference committee has recommended to the Senate and the House the adoption of a tax-free item of $1,250.

There is in the conference report no provision for a tax-exempt item of any kind. The $1,250 is like the item which is now in the Legislative Act which provides an allowance of not to exceed $600 a year for the expenses of a Senator's home office. Under that provision I spent $76.06 during the past 6 months to maintain my home office, out of my own pocket, and was reimbursed to that extent. But I did not get a penny of tax-exempt income.

I think the conference committee has done a good job in dealing with this subject and ironing out differences between the Senate and the House. I am, nevertheless, going to vote to reject the conference report because of the $1,250 item, on the theory that Congress, like Caesar's wife, should avoid anything which might create any suspicion.

The distinguished senior Senator from Florida [Mr. HOLLAND] pointed out a while ago that the public could not understand this $1,250 provision. In view of the fact that some Members of the Senate do not understand it, I can readily believe that the public cannot understand it. For that reason, and believing that we should not pass a bill which would give rise to any suspicion that the Members of Congress are getting any advantage over other taxpayers, I shall vote to reject the conference report.

While I was a private citizen at the time of the passage of the bills which gave the President of the United States, the Vice President, the Speaker of the House, and the Members of the Congress some special tax exemptions above those of other citizens of the country as a whole, I was very much opposed to such bills and I never expect to vote for a measure which in any form would give a Member of the Senate or of the House any special exemption from Federal income taxes. I think that every Senator and every Representative should pay taxes on the same basis as do the other people of the country.

I do not construe this conference report as containing any provision for a tax exemption allowance of any kind for Senators and Representatives; but I shall vote against the conference report because I agree fully with the statement of the Senator from Florida that some of the people of the country will not understand it.

Mr. WATKINS. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. I yield.

Mr. WATKINS. Mr. President, I supported the Senator from Delaware in the amendment which he offered and which was agreed to a number of years ago. I was a co-sponsor of that amendment. But I hope the Senator realizes the position of the conferees on the part of the Senate. We presented the arguments just made by the Senator; we made a strong plea, and we thought we were justified in accepting the conference report. I hope the Senator will realize the position in which the conferees found themselves. We tried to present the case.

Mr. ERVIN. I fully appreciate the position of the conferees. A compromise is not a one-way street. I realize that some concessions must be made to the Members of the House.

I wish to point out that if there is any allegation that the conference report is any sort of a tax-free proposition, that is unsound. But since some Members of the Senate do not understand it, I am sure that the people of the country will not understand it, and I shall vote to reject the report.

Mr. WATKINS. I take it that the Senator believes that our position must not only be right, but it must seem right.

Mr. ERVIN. That is correct.

Mr. KNOWLAND. Mr. President, I fully recognize the problem faced by the conferees, and I think, that in a great many respects, the bill as now presented to us is in better shape than it was; but as a matter of public policy I certainly question very much the addition of section (b). Therefore, I hope the Senate will reject the conference report. When that is done, as I trust it will be done, I hope the Senate will approve the instructions to be offered by the Senator from Delaware to the conferees to insist upon the elimination of section (b).

SEVERAL SENATORS. Vote! Vote!

Mr. KEFAUVER. Mr. President, I have no desire to discuss the matter further at any great length; but I should like to make it amply clear that the Senate conferees were confronted with such a situation that, if an agreement was to be reached, they had to make some compromise with the Members of the House.

With reference to the expense item a compromise was offered by one of the House conferees to which we agreed, with the understanding that it be related solely to necessary expenses in the conduct of a Member's office, that the expenses be itemized, and that the itemization be submitted and be paid by way of reimbursement only after he certifies the expenses as being necessary in the operations of his office.

In my view, this is pinned down to the office of the Senator or the Representative. It does not include the taking of constituents to lunch. I do not consider as legitimate office expenses some of the items which have been spoken of, such as Christmas cards, and what not. On the basis of a Member's necessary expense in running his office, I do not think he will certify anything which is not a necessary expense.

I desire all Members of the Senate to understand that there was no effort on the part of any conferee of the Senate or of the House to include any provision in the nature of an item of compensation on a tax-exempt basis. That is not the purpose of this provision. The purpose of the provision is to reimburse for actual outlays which a Member has necessarily made.

It appeared that the only way in which the bill could be reported from conference was to make some adjustment. The House had acceded to our position on three very important items in the bill. They refused to agree fully with us on our provision in connection with this section. We did our best to sustain the action of the Senate, but we felt we were under an obligation to try, at least, to bring some bill out of conference.

There was a discussion in the committee of conference about the fact that Members of the Senate, and I believe Members of the House also, are entitled to an allowance of $600 for office rent in their respective States. I do not believe any Member has ever charged $600 unless he paid it for office rent. For my own part, I am fortunate to have an office in the Federal Building. I have never received any of the $600 which has been authorized for Senators and Representatives to maintain offices in their respective States.

Neither do I know of any Member who has purposely stayed out of a Federal building, if he could have obtained space

in one and has rented an office on the outside.

It seems to me that this is somewhat the same kind of situation. I realize that public policy is involved. We thought we had the language pinned down so that it would be amply clear that it was not salary, not a gimmick, not a method of trying to get compensation, and then of covering it up. It was simply a straightforward provision for reimbursement of necessary expenditures for one's office.

The Senator from Delaware [Mr. WILLIAMS] said that a Senator might charge something which might be in the nature of a fringe benefit, and then charge other items off on his income tax. The interpretation of the Internal Revenue Service is that what a Senator can charge off in the way of extra expenses is identical to the language in the bill, namely, necessary office expenses directly arising from the running of his office. So I cannot see any validity in the point raised by the Senator from Delaware.

The matter is now before the Senate. I hope we can vote it up or down at an early time.

SEVERAL SENATORS. Vote! Vote! Vote!

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

The report was rejected.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. Am I correct in my understanding that before a motion is made to instruct the conferees, a motion should first be made to authorize the Chair to appoint the conferees on the part of the Senate?

The PRESIDING OFFICER. Yes, and to ask for a second conference.

Mr. WILLIAMS. I move that the Senate ask for a second conference and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to.

Mr. WILLIAMS. I now move that the conferees on the part of the Senate be instructed to insist upon the elimination from the conference report of the language contained in subsection (b) of section 4, amending section 601 (b) of the Legislative Reorganization Act of 1946, as amended.

Mr. KNOWLAND. I ask for the yeas and nays on the motion of the Senator from Delaware.

Mr. CLEMENTS. I join in the request of the Senator from California.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate to attend the inauguration of the President of Cuba.

The Senator from Texas [Mr. JOHNSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent by leave of the Senate because of illness.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate to attend his 25th anniversary celebration in the State of Washington.

I further announce that on this vote the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON], if present and voting, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senators from Ohio [Mr. BENDER and Mr. BRICKER], the Senator from Nebraska [Mr. HRUSKA], the Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MALONE], and the Senator from Iowa [Mr. MARTIN] are absent on official business.

I also announce that the Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate to attend the inaugural ceremonies of the President of Cuba.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. DUFF], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Maine [Mrs. SMITH] would each vote "yea."

The result was announced—yeas 62, nays 7, as follows:

YEAS—62

Aiken	Ervin	Mundt
Anderson	Flanders	Murray
Barkley	Frear	Neuberger
Barrett	Fulbright	Pastore
Beall	George	Payne
Bennett	Goldwater	Potter
Bible	Hayden	Purtell
Bush	Hennings	Russell
Butler	Hill	Saltonstall
Byrd	Holland	Scott
Carlson	Jackson	Smathers
Case, N. J.	Jenner	Smith, N. J.
Case, S. Dak.	Knowland	Sparkman
Chavez	Kuchel	Stennis
Clements	Long	Symington
Cotton	Mansfield	Thurmond
Curtis	Martin, Pa.	Watkins
Daniel	McCarthy	Welker
Douglas	McClellan	Williams
Dworshak	Millikin	Young
Ellender	Monroney	

NAYS—7

Bridges	Ives	Lehman
Dirksen	Kefauver	
Eastland	Kilgore	

NOT VOTING—27

Allott	Humphrey	McNamara
Bender	Johnson, Tex.	Morse
Bricker	Johnston, S. C.	Neely
Capehart	Kennedy	O'Mahoney
Duff	Kerr	Robertson
Gore	Langer	Schoeppel
Green	Magnuson	Smith, Maine
Hickenlooper	Malone	Thye
Hruska	Martin, Iowa	Wiley

So Mr. WILLIAMS' motion was agreed to.

The PRESIDING OFFICER. The Chair appoints as conferees on the part of the Senate the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. KILGORE], the Senator from Mississippi [Mr. EASTLAND], the Senator from Utah [Mr. WATKINS], and the Senator from Illinois [Mr. DIRKSEN].

ORDER FOR DISPENSING WITH CALL OF THE CALENDAR ON MONDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that on Monday, the call of the calendar be dispensed with.

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

ADJOURNMENT TO MONDAY

Mr. CLEMENTS. Mr. President, I am about to move an adjournment to Monday. Before doing so I wish to inform the Senate that the only possible business which I am aware at this time will come before the Senate on Monday will be the second conference report on H. R. 3828, which I hope may be brought back by that time.

I now move that the Senate stand adjourned until noon, on Monday next.

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

The motion was agreed to; and (at 4 o'clock and 13 minutes p. m.) the Senate adjourned until Monday, February 28, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 25, 1955:

DEPARTMENT OF DEFENSE

Robert Tripp Ross, of New York, to be an Assistant Secretary of Defense.

IN THE ARMY

The following-named persons for reappointment to the active list of the Regular Army of the United States, in the grades specified, from the temporary disability retired list, under the provisions of titlet IV, Career Compensation Act of 1949 (Public Law 351, 81st Congress):

To be colonel

Perry, Russell V., O15383.

To be captains

Ancker, Jack P., O37217.
Bush, Hugh W., Jr., O60626.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 759, 80th Congress, and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captains

Connolly, John R., MC, O2103459.
Cowgill, Herbert F., MC.
Kilpatrick, William C., Jr., MC, O1717778.
Mincks, James R., MC, O2097881.

To be first lieutenants

Blough, Leland S., MC, O4003873.
Gardenier, Edward D., DC, O2267251.
Horton, Virginia A., ANC, N780235.
Hunsuck, Ervin E., DC, O2270447.
Johnson, Elizabeth F., ANC, N798022.
Louro, Jose M., MC, O2041851.
Mitchell, Bradford W., JAGC, O2237214.
Parker, James W., MSC, O717952.
Pogrebniak, Alexander, MC, O2268932.
Young, William H., Jr., MSC, O2263182.

To be second lieutenant

Randolph, George B., Jr., MSC, O1920422.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Abrams, Fredrick R., O2273772.
Barrett, O'Neill, Jr., O971387.
Bergin, James J., O2273743.
Boehrer, Philip M., O4030393.
Canby, John P., O4024337.
Carey, Philip O., O2268941.
Herman, Robert H., O2268938
Price, Frank W., O4002903.
Price, Ira B., O4002576.
Grass, Adrian L., O2273750.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Broady, William, O2028412.
Sherberg, Auden L., O1924859.

To be second lieutenants

Berry, Fred C., Jr.
Craver, Roger H., O4021064.
Early, Charles D., Jr.
Foley, William R., O4006426.
Simcox, George N., O4026470.
Treadway, Thomas J.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Lawson, Lowell F.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Kaczenski, John A.
Krengel, Thomas F.
Lokie, Andrew P., O4032758.
McFather, Bennie S., O4033500.
Murphy, Charles K., O4029919.
Pede, August R.
Perry, Archie, O4025001.
Price, Raymond S., O4024963.
Saxon, George E.
Street, Clover B.
Soupene, James C., Jr., O4029449.
Vandeventer, William R.
Weiskirch, Thomas N., Jr., O1940922.
Williams, Thomas W., O4029469.

IN THE COAST GUARD

The following persons to be chief warrant officers, W-3, in the United States Coast Guard:

Charles E. Haley
Zoltan Papp
Claude M. Hutchins

The following persons to be chief warrant officers, W-2, in the United States Coast Guard:

Edward R. Harris
Francis A. Massey
Parker R. Johnson
Philip H. Fry
Thadeus Penry
Albert J. Bates
Michael Kabaczy
John H. Brown
Manuel L. Bent
Walter P. Stipcich
Clarence B. Anderson
Robert H. Burn
Leroy H. Harmon
Joseph J. Dobrow, Jr.
Alfred M. Livingston
John P. Ryan
Roland R. Davis
Oliver F. Rossin
James W. Lockhart
Russell M. Young
Kenneth E. Payson
Cyril D. Kring
Gene D. Vecchione
Harry V. Hardy
Andrew Kirkpatrick
Oliver T. Henry, Jr.
William Keokosky
Louis S. Schweitzer
John R. Howarth
Howell O. Wall
Elmer J. Nolan
Frank Jakelsky
Anthony F. Glaza, Jr.
Meredith D. Hazzard
Frank J. Recely
Elmer C. Knudson
Walter V. Corteg
Gordon B. Sworthout
William F. Winslow
John Senik
Joseph L. St. Pierre
Robert S. Phillips
"A" "Z" Shows
Carroll Tingle
Luke B. Midgett
Paul A. Woodard
Moses McNure
Woodrow F. Clookie
Malcolm Versaw
William R. Gaither
Fletcher R. Peele
Leon A. Anderson
George B. Schack
Albert DeCosta
Leonest L. Tillett
Gilbert Coughlan
Henry A. Cook
John Chartuck
William E. White, Jr.
Edward E. Lewis
Louis M. Piermattei
Andrew Hauswirth
Ellis M. Moore
Harvey J. Hardy
Frank D. Coffey
James A. Somers
Roy L. Singleton
Alexander M. Grant
Kenneth G. Fields.
Gustave A. Kuhnert
John W. Short
Earlie W. Shelton
Ernest R. Stacy
Roy Huffstetler
John Ventre
Nevette A. Gardebled
Neal Griffin
Charles R. Ellington, Jr.
Charles E. Christman
Leonard W. Arnold
Henry L. Cotton
Kenneth E. Diem
Raymond L. Barnett
Bernard A. Koebbe
Irving T. Bloxom
Suell R. Grimm
James W. Freeman
Homer E. McCullough
Foister E. Blair
Norris D. Hickman
Charles U. Stastka
Thomas J. Bennett
Norman R. Hundwin
Andrew J. Donaldson
Walter R. Terry
John T. Mears, Jr.
Victor J. Shurkus
Harold D. Gallery
Robert N. Piland, Jr.
Clemens F. Knox
John J. Pinton
Harry L. Partridge
Thomas A. Smith
Martin J. Connolly
John E. Giles
Lloyd L. Franklin
Ralph L. Tarr
Henry O. Aeschliman
William S. Gray, Jr.
George A. J. Michaud
Allen S. Marsdale
John Szakara
Earl W. Skinner
Hobart E. Sadler
Robert S. Gaddy
Van H. White, Jr.
William D. Oliver

CONFIRMATIONS

Executive nominations confirmed by the Senate February 25, 1955:

NATIONAL SECURITY TRAINING COMMISSION

Albert J. Hayes, of Maryland, to be a member of the National Security Training Commission, for the remainder of the term expiring June 19, 1958.

DEPARTMENT OF COMMERCE

Louis S. Rothschild, of Missouri, to be Under Secretary of Commerce for Transportation.

TAX COURT OF THE UNITED STATES

Allin H. Pierce, of Illinois, to be judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1948.

CIVIL AERONAUTICS BOARD

Ross Rizley, of Oklahoma, to be a member of the Civil Aeronautics Board, for the term expiring December 31, 1960.

RENEGOTIATION BOARD

Thomas Coggeshall, of Connecticut, to be a member of the Renegotiation Board.

PUBLIC HEALTH SERVICE

The following candidates for appointment in the Regular Corps, subject to qualifications therefor as provided by law and regulations, to be effective date of acceptance:

To be assistant surgeons

John W. Glotfelty
John D. Tovey
John F. Ice
Inez L. Ice

To be assistant dental surgeon

George J. Yocum

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 25, 1955

The House met at 12 o'clock noon.

Rev. R. Paul Schearrer, minister, Takoma Park Presbyterian Church, Washington, D. C., offered the following prayer:

Eternal God, the Father of us all and the only sure hope of all mankind, we bow before Thee in humility and reverence. We would voice our common gratitude for the freedoms and blessings of life which we enjoy. Deliver us from pride of position and possessions. May we never forget the obligation that rests upon the strong.

On this World Day of Prayer, when millions upon millions of Thy children of every continent and color are praying for peace on earth, we would add our sincere supplications that this world may be spared from the horrors of another war. Free us from the bondage of suspicion and hate. Increase our faith in Thy power to save us from self-destruction. Give us the vision of a better day of brotherhood and the united will to work for its coming. In the name of the Prince of Peace. Amen.

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

INCREASE IN SALARIES OF JUSTICES AND JUDGES OF UNITED STATES COURTS AND MEMBERS OF CONGRESS

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. CELLER].