To be ensigns

Robert J. Candela, effective March 21, 1955.

Willard L. Shireman, in accordance with law.

James F. Schumann, in accordance with law.

Norman B. Madsen, in accordance with law.

IN THE ARMY

Maj. Gen. Silas Beach Hays, O17803, Medical Corps, United States Army, to be the Surgeon General, United States Army.

Lt. Gen. Lyman Louis Lemnitzer, O12687, Army of the United States (major general, U. S. Army), to be commanding general, Army Forces Far East and Eighth Army, with the rank of general, and as general in the Army of the United States.

Maj. Gen. James Maurice Gavin, O17676, Army of the United States (brigadier general, U. S. Army), to be Deputy Chief of Staff for Plans and Research, United States Army, with the rank of lieutenant general, and as lieutenant general in the Army of the United States.

Capt. Amos A. Jordan, Jr., O27895, to be professor of social science, United States Military Academy, effective March 1, 1955.

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.), and Public Law 36, 80th Congress, as amended by Public Law 37, 83d Congress:

To be captain

Powell, John J., VC, O427930.

To be first lieutenants

Benedict, Daniel B., MC, O999420.
Gibson, Jack L., MC, O1940129.
Godfrey, William H., MSC, O1546995.
Gunuskey, Dolores L., ANC, N762590.
Lysak, William, MSC, O966641.

The following-named person for appointment in the Medical Corps, Regular Army of the United States, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

To be first lieutenant

Griffin, Martin E., Jr., O4030389.

The following-named persons for appointment in the Regular Army of the United States, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Cluck, Charlie E., O999028.
Madden, William R., Jr., O975483.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be second lieutenant

Dillard, Herbert A.

The following-named distinguished military students for appointment in the Regular Army of the United States under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be second lieutenants

Bittl, Frederick E.
Fitter, Patrick M.
Garcia, Eliseo J., O4024771.
Heverly, Clifford C., O401726.
Kennedy, George I. Jr., O1941273.
Nack, Thomas P., O4044536.
Purdy, Harry E., Jr., O4025765.
Turner, Joseph E., Jr.

REGULAR AIR FORCE

The nominations of Robert Wesley Tindall, et al., for promotion in the Regular Air Force, which were confirmed today, were received by the Senate on March 14, 1955, and appear in full in the Senate proceedings of that date under the caption "Nominations," beginning with the name of Robert Wesley Tindall, which is shown on page 2832 and ending with the name of Elbert Ray Chamlis, which appears on page 2833.

SENATE

MONDAY, MARCH 28, 1955

(Legislative day of Thursday, March 10, 1955)

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

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

Eternal God, who committest to us the swift and solemn trust of life, so teach us to number our days that we may apply our hearts unto wisdom. Teach us to toil and ask not for reward save that of knowing we do the things that please Thee. May we regard the faithful service of the Commonwealth as a sacramental task.

As we come now, at the beginning of another week, to the high altar of patriotism in this temple of the people's hope and trust, may it be with clear minds, clean hands, and courageous hearts. Thou hast taught us that our lives are the temples of Thy holy presence. Made in Thy image, no despot may enslave our conscience. Against the defilement, by impious hands, of that sacred inner shrine, we pledge a sacrifice from which no Gethsemane or Calvary can hold us back. Strengthen us with the spirit of that One who, for the joy that was set before Him, endured the shame and despised the cross. In His name we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 25, 1955, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars, and it was signed by the President pro tempore.

LEAVE OF ABSENCE

Mr. LANGER. Mr. President, I ask unanimous consent that I may be excused from attendance on the sessions of the Senate for 2½ hours this afternoon so that I may greet Miss Jody Folsom, former potato queen of North Dakota, and a typical beauty from our North Dakota prairies, who represents the State of North Dakota in the Cherry Blossom Festival, and who, I hope, will be elected queen of the festival. She is arriving on the Northwest Airlines to be a charming guest of the North Dakota congressional delegation, who will meet her in a body, and as senior Senator I have the pleasant job of pinning an orchid on her shoulder.

The PRESIDENT pro tempore. Without objection, the Senator from North Dakota will be excused from attending the session of the Senate today for 2½ hours for the purpose indicated.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the sessions of the Senate through Thursday of this week.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Welfare Pensions of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

AUTHORIZATION TO COMMITTEE ON ARMED SERVICES TO REPORT BILL DURING RECESS OR ADJOURNMENT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Armed Services be permitted to report the military pay bill, H. R. 4720, on Tuesday in the event the Senate shall not be in session.

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that if the committee shall report the military pay bill, the Senate may proceed to its consideration immediately after the morning hour on Wednesday next.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF UNITED STATES SOLDIERS' HOME

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the Board of Commissioners, United States Soldiers' Home, for the fiscal year 1954, together with a copy of the report of the annual inspection, 1954 (with accompanying papers); to the Committee on Armed Services.

REPORT OF NATIONAL TRUST FOR HISTORIC PRESERVATION IN THE UNITED STATES

A letter from the secretary, National Trust for Historic Preservation, Washington, D. C., transmitting, pursuant to law, a report of that Trust, for the calendar year 1954 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF PROCEEDINGS OF JUDICIAL CONFERENCE

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, the annual report of the Director of the Administrative Office of the United States Courts, including the report of the annual and special meetings of the Judicial Conference of the United States, for the year 1954 (with an accompanying report); to the Committee on the Judiciary.

COST ASCERTAINMENT REPORT, POST OFFICE DEPARTMENT

A letter from the Acting Postmaster General, transmitting, pursuant to law, the Cost Ascertainment Report of the Post Office Department, for the fiscal year 1954 (with an accompanying report); to the Committee on Post Office and Civil Service.

REPORT ON COST OF CONSTRUCTION NEEDED TO MODERNIZE THE NATION'S HIGHWAYS

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the cost of construction needed to modernize the Nation's highways, prepared by the Commissioner of Public Roads in cooperation with the State highway departments (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Public Works:

"Assembly Joint Resolution 35

"Joint resolution memorializing the United States Post Office Department and the General Services Administration to allow the placement of the historical V. & T. railroad engine and mailcar on the premises of the post-office building in Carson City

"Whereas the legend of the Comstock Lode and Virginia City which rose to incalculable wealth is centered around the railroad that was built to serve the Comstock, namely, the Virginia & Truckee Railroad Co.; and

"Whereas over the noble trestles and pastoral tangents of this historical railroad rolled much of the wealth that built San Francisco and financed the careers of ambassadors, princesses, and notables of two generations; and

"Whereas the Virginia & Truckee Railroad Co. was an integral portion of the greatest of all pioneering sagas and was once the richest railroad in the world when measured in terms of return upon its investment and the tangible assets it transported; and

"Whereas the heroic importance of the Virginia & Truckee Railroad Co. in the history of Nevada is attested to by the fact that the great seal of this State shows the locomotive crossing the Crown Point trestle; and

"Whereas this famous shortline was analogous to the traditions of the Pony Express in that it carried the United States mail through all types of weather and adverse conditions; and

"Where economic conditions necessitated the abandonment of this great and historical railroad in 1949 without any visible trace of sentiment, much to the regret of the citizenry of this State and much to the detriment of the proud heritage which it achieved; and

"Whereas two of the world's most respected and notable authorities and authors on railroading, Lucius Beebe and Charles Clegg, wrote, in closing their book on the Virginia & Truckee Railroad Co., the following: 'When the Virginia & Truckee banks the fires of its engines at last for the long night, as have so many little railroads before it, it will not come back again, for the dead return not. But, like the sparkling Concords that went before it down the dusty highroads of yesterday, its memory will live forever in the minds of men, trailing an unforgotten banner of woodsmoke across the Nevada sagebrush where once the railroad ran;' and

"Whereas there is still an opportunity to save some historical remnant of this greatest of all little railroads by virtue of the fact that the chamber of commerce of Carson City, Nev., has a locomotive and a small mailcar which it is desirous of placing on display as an outstanding tourist attraction and monument; and

"Whereas the United States post-office building in Carson City is also known as a historical classic and tourist attraction and it is centrally located with adequate surrounding area for the placement of this exhibit in an appropriate manner; and

"Whereas such a project would be without expense to the Federal Government and the only condition which would be imposed would be the right to remove the train should a new post-office building subsequently be constructed: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Legislature of the State of Nevada respectfully memorializes the United States Post Office Department, by and through the Postmaster General, and the General Services Administration to investigate and examine the feasibility of placing the locomotive and cars of the historical Virginia & Truckee Railroad Co. on the grounds of the post-office building in Carson City, Nev., at no expense to the Federal Government with the only condition being imposed that the chamber of commerce of Carson City reserves the right to remove the equipment whenever the post-office building is abandoned and removed or a new building constructed; and be it further

"*Resolved*, That the secretary of state of the State of Nevada be, and he hereby is, directed to transmit certified copies of this resolution to the Postmaster General of the United States, the General Services Administration in Washington, D. C., the Governor of this State, and the Senators and Representatives in Congress from the State of Nevada and the President and Vice President of the United States."

A resolution adopted by the Marine Insurance Society, Seattle, Wash., favoring the enactment of House bill 2036, relating to tonnage of naval vessels; to the Committee on Armed Services.

A letter from the Assistant Secretary, Department of State, transmitting a letter from the president, Taiwan Provisional Provincial Assembly, expressing appreciation for steps recently taken by the President and the Congress of the United States in connection with the ratification of the Mutual Defense Treaty with the Republic of China; to the Committee on Foreign Relations.

A letter, in the nature of a petition, from the Marine Corps League, Department of New York, signed by Ray J. Puchalski, commandant, praying for the enactment of legislation to provide that the six participants of the flag-raising on Iwo Jima be interred in the crypt of the marine memorial in Washington, D. C. (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A resolution adopted by the Hawaii County League of Republican Women, Hilo, Hawaii, favoring the appointment of Montgomery Clark to be circuit judge of the Third Judicial Circuit, Territory of Hawaii; to the Committee on the Judiciary.

A resolution adopted by the Citizens Study Club of Oahu, Hawaii, relating to communism; to the Committee on the Judiciary.

RESOLUTIONS OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. GREEN. Mr. President, I present two resolutions adopted recently by the General Assembly of the State of Rhode Island and Providence Plantations.

One is a resolution memorializing Congress with respect to House bill 3322 and Senate bill 1004, amending the Federal Property and Administrative Services Act which would release for donation to State surplus property agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions.

The other is a resolution memorializing Congress to approve pending resolutions declaring that the people of Ireland should have the right to determine the form of government under which they desire to live.

The PRESIDENT pro tempore. The resolutions will be received and appropriately referred; and, under the rule, will be printed in the RECORD.

The resolutions, presented by Mr. GREEN, were received and appropriately referred as follows:

To the Committee on Government Operations:

"Resolution memorializing Congress with respect to House bill 3322 and Senate bill 1004, amending the Federal Property and Administrative Services Act which would release for donation to State surplus property agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions

"Whereas there are now pending in Congress House bill 3322 and Senate bill 1004 which would be an amendment to the Federal Property and Administrative Services Act (Public Law 152, 81st Cong., sec. 203 (j), which, if passed by the United States Senate and House, would release for donation to State Surplus Property Agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions, property which is now being sold by the Department of Defense and Stock Fund System; and

"Whereas these items would include carpenters' tools, machine tools, small hand tools, drafting equipment, clothing, bedding,

trucks, buses, and many items useful to schools and hospitals; and

"Whereas Rhode Island has been receiving allocations from Department of Health, Education, and Welfare in amount of approximately $350,000 (Government acquisition cost) of material a year: Now, therefore, be it

"*Resolved*, That the members of the General Assembly respectfully request the Congress of the United States to work for the passage of one or the other of the above-noted bills and to give wholehearted support with no change in basic content; and be it further

"*Resolved*, That the Secretary of State be and he is hereby authorized to transmit to the Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution asking each earnestly to use strong efforts in working for the passage of such important legislation."

To the Committee on Foreign Relations:

"Resolution memorializing Congress to approve the resolutions pending therein declaring that the people of Ireland should have the right to determine the form of government under which they desire to live

"Whereas House Resolution 32, presented to the Congress of the United States by Hon. JOHN E. FOGARTY, Representative in Congress from the Second Congressional District of Rhode Island, which declares that it is the sense of the House of Representatives that the Republic of Ireland should embrace the entire territory of Ireland, unless a clear majority of all the people of Ireland, in a free plebiscite, determine and declare to the contrary; and

"Whereas a similar resolution has been introduced in the Senate of the United States, sponsored by Senators EVERETT MCKINLEY DIRKSEN, of Illinois; JOHN FITZGERALD KENNEDY, of Massachusetts; WILLIAM A. PURTELL, of Connecticut and MICHAEL J. MANSFIELD, of Montana; and

"Whereas 26 of the 32 counties of Ireland have been successful in obtaining international recognition for the Republic of Ireland which has, as its basic law, a constitution modeled upon our own American Constitution: Now, therefore, be it

"*Resolved*, That since it is the sense of the General Assembly of Rhode Island that the Republic of Ireland should embrace the entire territory of Ireland unless a clear majority of all of the people of Ireland, in a free plebiscite, determine and declare to the contrary, the Senators and Representatives from Rhode Island in the Congress of the United States are respectfully requested to use their earnest efforts to have both Houses of the Congress approve both resolutions; directing the Secretary of State to transmit to them duly certified copies of this resolution."

INVESTIGATION OF THE DIXON-YATES CONTROVERSY—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted at the annual meeting of the Minnesota Electric Cooperative, on March 9 and 10, 1955, requesting an investigation of the Dixon-Yates controversy by the proper committee of Congress.

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

DIXON-YATES CONTRACT

Whereas the administration has seen fit to promote a contract authorizing the private power combine Dixon-Yates to provide electric power to TVA for use by Atomic Energy Commission; and

Whereas President Eisenhower ordered this contract signed over the disapproval of the Chairman of TVA; and

Whereas the administration has refused to present all facts to answer the charges of preferential treatment: Therefore be it

Resolved, That inasmuch as the administration's conduct in the Dixon-Yates case raised many unanswered questions and inasmuch as there are no apparent reasons justifying such a power contract, we, the members of Minnesota Electric Cooperative at our annual State meeting held on March 9 and March 10, 1955, do hereby go on record calling upon Congress to conduct a thorough investigation of the Dixon-Yates controversy by the proper investigating committee; be it further

Resolved, That we send copy of this resolution to the Minnesota Congressmen and Senators.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. PAYNE, from the Committee on Interstate and Foreign Commerce:

S. 37. A bill to amend the act increasing the retired pay of certain members of the former Lighthouse Service in order to make such increase permanent; without amendment (Rept. No. 122).

By Mr. MONRONEY (for Mr. MAGNUSON), from the Committee on Interstate and Foreign Commerce:

S. 460. A bill to amend section 4482 of the Revised Statutes, as amended (46 U. S. C. 475), relating to life preservers for river steamers; without amendment (Rept. No. 123).

AMENDMENT OF CIVIL AERONAUTICS ACT—REPORT OF A COMMITTEE

Mr. MONRONEY. Mr. President, from the Committee on Interstate and Foreign Commerce, I submit a unanimous favorable report, with amendments, on the bill (S. 651) to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended, and I submit a report (No. 124) thereon. The bill, which was introduced by the distinguished senior Senator from Washington [Mr. MAGNUSON], who is chairman of the committee, would provide permanent certification to the 13 feeder lines which have been operating for many years in the United States.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 28, 1955, he presented to the President of the United State the enrolled bill (S. 691) to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. ERVIN:

S. 1558. A bill for the relief of Martha Llach de Palacios and her children, Virginia Palacios, Daniel Palacios, and Patricia Palacios; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1559. A bill to amend the Trust Indenture Act of 1939 to permit a trustee to have one director who is at the same time an investment banker; to the Committee on Banking and Currency.

By Mr. SCHOEPPEL:

S. 1560. A bill for the relief of Dr. John Joon Sik Chung; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1561. A bill for the relief of Katie May Fraser; and

S. 1562. A bill for the relief of Hilda Millonig; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for Mr. KENNEDY):

S. 1563. A bill for the relief of Elidora Yanguas Perez; and

S. 1564. A bill for the relief of Giovanni De Bilio; to the Committee on the Judiciary.

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

S. 1565. A bill to amend the National Housing Act by adding a new title thereto providing authority for technical research and studies on problems of air pollution generally and establishing a loan program to aid in the installation of air pollution prevention equipment; to the Committee on Banking and Currency.

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

By Mr. HUMPHREY (for himself, Mr. KUCHEL, and Mr. GOLDWATER):

S. 1566. A bill establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes; to the Committee on Government Operations.

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

By Mr. CHAVEZ:

S. 1567. A bill for the relief of Eduardo Armijo; to the Committee on the Judiciary.

By Mr. CHAVEZ (by request):

S. 1568. A bill to provide for the disposal of Federally owned property at obsolescent canalized waterways and for other purposes; to the Committee on Public Works.

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 1569. A bill to increase the annual compensation of the academic dean of the United States Naval Postgraduate School;

S. 1570. A bill to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service;

S. 1571. A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year; and

S. 1572. A bill to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes; to the Committee on Armed Services.

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

By Mr. CASE of South Dakota:

S. 1573. A bill to provide a 10-year program of Federal-aid highway authorizations; to establish a corporation to acquire rights-of-way required for the completion of the national system of interstate highways; and

for other purposes; to the Committee on Public Works.

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

By Mr. GOLDWATER (by request):

S. 1574. A bill to provide for payments by the Secretary of the Interior to owners of non-Federal water-use facilities for hydroelectric power benefits realized by the United States therefrom, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 1575. A bill to amend section 304 of title III of the National Housing Act, as amended, to provide for extension of certain purchase contracts of the Federal National Mortgage Association; to the Committee on Banking and Currency.

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

By Mr. JOHNSON of Texas (for Mr. CLEMENTS, Mr. SCOTT, and Mr. SCHOEPPEL):

S. J. Res. 60. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; to the Committee on Agriculture and Forestry.

By Mr. KEFAUVER (for himself and Mr. POTTER):

S. J. Res. 61. Joint resolution to provide for the establishment and operation of an Americanism and good citizenship booth or station in the rotunda of the Capitol; to the Committee on Rules and Administration.

AMENDMENT OF NATIONAL HOUSING ACT, RELATING TO PROBLEMS OF AIR POLLUTION

Mr. CAPEHART. Mr. President, on behalf of the Senators from California [Mr. KNOWLAND and Mr. KUCHEL] and myself, I introduce a bill to amend the National Housing Act by adding a new title thereto providing authority for technical research and studies on problems of air pollution generally and establishing a loan program to aid in the installation of air-pollution prevention equipment, and ask that it be appropriately referred.

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

The bill (S. 1565) to amend the National Housing Act by adding a new title thereto providing authority for technical research and studies on problems of air pollution generally and establishing a loan program to aid in the installation of air-pollution prevention equipment, introduced by Mr. CAPEHART (for himself, Mr. KNOWLAND, and Mr. KUCHEL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. CAPEHART. Mr. President, we believe that this bill would contribute materially to smoke elimination and air-pollution prevention. I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared in connection with the proposed legislation.

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

STATEMENT BY SENATOR CAPEHART

The purpose of this bill, stated briefly, is twofold:

To encourage and assist individuals, industries, and communities to solve their air-pollution problem in order to conserve home values, improve health, and preserve the essentials for good environments so needed for better community living.

Essentially, by the very nature of the problem, the air-pollution nuisance is interstate in character. Certain aspects of the problem, however, are local in nature. For example, its control is a local problem. And any program to be effective must originate at the local level, having the full and united support of all segments in the local community. Some aspects, however, transcend city and State lines. In fact, polluted air knows no respect for corporate limits or State lines. Clearly, therefore, a very proper rule exists for the Federal Government to play in any anti-air-pollution campaign.

The bill provides for:

1. A program of technical research and study concerned with (a) the causes of air pollution, (b) devices and methods for prevention or elimination of air pollution, and (c) guidance and assistance to local communities in smoke abatement and air-pollution prevention and control.

2. A loan program by HHFA in cooperation with private lending institutions for business enterprises that install air-pollution equipment when financial assistance is not otherwise available on reasonable terms. For the homeowner, FHA loan insurance may be used for purposes of home conversion and improvements that will aid smoke abatement and air-pollution prevention.

With the incentive provided by the proposed bill, it is hoped that cities and States will be encouraged to enact legislation contemplated to reduce air pollution immediately and ultimately to eliminate air pollution.

The National Housing Act contains provisions to encourage and assist local communities in slum clearance. Well and good it is to eliminate slums. However, it is shortsighted indeed to permit air pollution to continue, because unless abated, we can expect the newly constructed homes of today to become the slums of tomorrow—just as surely as blight follows decay.

It has been estimated that polluted air costs the people of these United States about $5 billion a year. The extent of the damage to merchandise, buildings, homes, and home foliage alone is thought to be nearly $1 billion a year.

Of much greater significance is the impact upon the health of the country. Each day, each person draws in his body about 3,800 gallons of air, unaware of the damage polluted air can cause health and life.

The air one breathes may subject a person or his family to serious allergies and to eye, skin, and throat ailments. Some experts even fear that polluted air may be one of the causes for the recent sharp increase in lung cancer.

Any solution to the air pollution problem must face, realistically, the tax phase therein involved. Many of the devices, structures, machinery, or equipment for prevention or elimination of air pollution involve costly expenditures. Accordingly, it seems no more than fair that certain tax benefits should be extended to those who are willing to expend substantial amounts of money to the end that this problem may be solved.

With this viewpoint in mind, Senator KUCHEL and I joined with Senators MARTIN of Pennsylvania, DUFF, KNOWLAND, POTTER, and WILEY in introducing S. 917 on February 4, 1955. This bill, which was referred to the Senate Finance Committee, is to encourage the prevention of air and water pollution also, by allowing the cost of treatment works to be amortized at an accelerated rate for income-tax purposes over a period of 5 years. Several companion bills have been sponsored in the House. I hope that the Senate Finance Committee may see fit to give early consideration to this very important bill which covers the third aspect of the smoke elimination and air pollution prevention problem.

PAYMENTS TO STATE AND LOCAL GOVERNMENTS IN LIEU OF TAXES

Mr. HUMPHREY. Mr. President, on behalf of myself and the Senator from California [Mr. KUCHEL], I introduce, for appropriate reference, a bill establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes. I ask unanimous consent that I may be permitted to make a brief statement pertaining to the bill, in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the Senator from Minnesota may proceed.

The bill (S. 1566) establishing a general policy and procedures with respect to payments to State and local governments on account of Federal real property and tangible personal property, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. KUCHEL, and Mr. GOLDWATER) was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. HUMPHREY. Mr. President, this bill was originally submitted by the Bureau of the Budget and is similar to measures which I introduced in the 82d and 83d Congresses.

The bill would authorize five types of payments to State and local governments:

First. Regular ad valorem taxes on properties owned by the Federal Government but leased to private users or sold to them under conditional sales contracts.

Second. Annual payments determined by each Federal property-owning agency on the basis of an application from the affected State or local government and in conformity with Governmentwide standards and procedure for properties in each class. This would be the most common type of payment under the bill.

Third. Transition payments on a declining basis over a 10-year period.

Fourth. Special payments in unusual situations where a taxing jurisdiction can demonstrate that Federal activities are imposing a local hardship for which other aid is available from the Federal Government.

Fifth. Special asessment for local improvements, substantially the same as for private property.

The bill would repeal more than 20 statutory provisions authorizing special types of payments and would substitute general provisions applying to specified properties of all Federal agencies. Rules and regulations to guide the property-owning agencies would be issued by a commission consisting of the Secretary of the Treasury, the Administrator of General Services, and the Director of the Bureau of the Budget.

The bill would not apply within the District of Columbia and the island possessions, which usually have been the subject of special arrangements adapted

to their special relationships to the Federal Government. Likewise, the bill does not cover public-domain lands which have never been on the tax rolls; most of these lands are subject to present revenue-sharing arrangements which would not be disturbed by the new bill.

My own experience as mayor of Minneapolis and as chairman during the 81st Congress of the Senate Subcommitee on Intergovernmental Relations has persuaded me that this problem is vital and should be acted upon as soon as possible. Local governments have lost a great deal of tax revenue as a result of Federal Government defense activities since 1939. In addition, because of the Federal activities, many communities have had a build schools, hospitals, houses, and otherwise provide for the influx of new population.

The Senate has not yet acted on any long-range proposal to provide for payments in lieu of taxes pending further study. In the 83d Congress, the Commission on Intergovernmental Relations was created. One of its responsibilities was to study this problem and send recommendations to the Congress. It is my privilege to serve as a member of the Commission, and also to have served as a member of a special study group to report to the Commission. The present plans are for the Commission to make its report to the Congress by June 1. It is our hope that the recommendations of the Commission will be consistent with the outlines of the bill which we join in submitting today. The bill is introduced at this time to provide a basis for hearings which I hope will take place soon after the Commission on Intergovernmental Relations submits its report.

The integrity and independence of local government is at stake. We have a responsibility to help solve the problems facing local and State governments, particularly when those problems arise out of Federal action. The adoption of a reasonable solution along the lines in our bill will spread government costs more equitably and will strengthen our Federal system of Government.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the remarks I am about to make may follow in the RECORD those made by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

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

LOCAL GOVERNMENT IN AMERICA IS FACED WITH GROWING PROBLEMS

Mr. KUCHEL. Mr. President, the bill just introduced to provide for financial contributions in lieu of taxes on the part of Federal agencies to communities in which the United States has acquired property is essential to stop the undermining of the revenue structures beneath many units of local government.

Taxies levied against real and personal property are the principal sources of revenue for most counties, municipalities, and school districts. Every additional acquisition of property by the Federal Government whittles away at the supports of our local governments. While Federal activities revolving around such real estate may bring benefits to the affected communities in the form of additional payrolls, all too frequently the burden on local governments is increased at the same time.

The vicious circle of growing Federal property holdings threatens the choke the very life out of a tragic number of units of local government. The condition is especially serious in many parts of my own State. The plight of boards of supervisors, city councils, and school district officers is highlighted by the fact that only a little more than half of the area of the vast State of California is subject to assessment by local governments. The United States owns the balance.

I wish, Mr. President, my colleagues would give thought to a few statistics which to me demonstrate forcefully why this Congress must tackle without further delay the question of solving this acute problem.

California has 158,693 square miles. It is the second largest State of the Union geographically. The difficulties encountered in raising revenues through real estate taxation are shown graphically by the fact that of its approximately 100 million acres, the Federal Government is the owner, Uncle Sam is the tax-exempt landlord, of 46,311,044 acres of land.

Thus, Mr. President, according to data compiled by the California State Board of Equalization, only 53.85 percent of the real estate in this tremendous estate is available for assessment to finance costs of local government.

The predicament of local authorities cannot be shrugged off. The figures furnished me by the State Board of Equalization show that on a very conservative basis the estimated value of Federal land holdings is $294,108,269. The estimated value of improvements on only the portion of property acquired since 1938 is another $244,921,255.

Even using these incomplete statistics, the United States Government is the owner of land and buildings in my State with a valuation of $539,029,524.

The need for and justice of legislation providing for payments in lieu of taxes are obvious from a study of the Board of Equalization data. At the average State tax rate of $5 per $100, the revenues from the Federal holdings would amount to $26,950,000.

A few examples illustrate the serious threat to local government of expanding Federal property without making provision for some type of financial contribution. Here are some which stand out on the list. Federal property acquired only since 1938 is valued at $73,051,269. The improvements on this real estate alone have valuations of $26,083,836 in the case of Contra Costa County, $56,250,500 in the case of Los Angeles County, $20,040,000 in the case of San Bernardino County, $18,004,133 in the case of San Diego County, $22,102,350 in the case of San Francisco County, $39,275,000 in the case of San Joaquin County, and $50,050,000 in the case of Solano County.

Much of the vast Federal holdings are in rural areas. Even under our bill, no payments in lieu of taxes would be made to the local governments where much of this property is located. I cannot overlook the fact, however, that the rural holdings of the United States in my home State, as of 1950, aggregated 45,992,841 acres. This is the third greatest total in the entire Nation. A substantial part of this is public domain land that would not be covered by the legislation I feel this Congress should enact.

The fact that a great proportion of Federal real property and most of the Government-owned personal property would still be exempt from taxation or any other type of payment is further reason why some form of compensation to local governmental bodies is an inescapable moral obligation which Congress should recognize.

Many of my colleagues will recall that one facet of this problem was discussed at considerable length 1 year ago in this body. When we were considering the Lease-Purchase Act the point was made that the proposed new buildings the Federal Government would acquire through the installment method would be bought on terms that include reimbursement to the builder for amounts paid in taxes.

During the debate, I noted the minimum lease period of 10 years would afford an opportunity for Congress to work out a more equitable long-term solution to the problem of threatened drying-up of the sources of revenue at the disposal of local governments.

The bill of which I am happy to be a coauthor is far from a complete answer to the question of how the Federal Government is going to protect local taxpayers from being forced to dig deeper in their pockets each time Uncle Sam bites off another chunk of a local tax base. But it will indicate to the American home owner Federal acceptance of a Federal obligation.

I feel, despite its deficiencies, the bill should be considered sympathetically and speedily because the stability of local governments in literally hundreds of situations depends directly upon action by Congress acknowledging a degree of responsibility to provide a reasonable share of moneys necessary for the functioning of counties, municipalities, school districts, and similar bodies. The proposal would bring a desirable amount of uniformity into intergovernmental relations, by replacing more than 20 piecemeal provisions of law, and would authorize payments in situations where at present there is no provision for Federal cost-sharing.

Mr. GOLDWATER. Mr. President, I desire to commend the distinguished junior Senator from Minnesota [Mr. HUMPHREY] and the distinguished junior Senator from California [Mr. KUCHEL] upon having introduced the bill to which they have just referred.

Earlier this year, I did research in this field and found that more than $350 million should be coming to the school districts of America if Federal property, and private property operated under the protection of the Federal Government, paid taxes or lieu amounts.

Seventy-three percent of the State of Arizona is owned, operated, or controlled by the Federal Government. In

a growing State like Arizona, such a situation becomes a real and particular problem.

I wish to ask the distinguished Senator from Minnesota if he would object to my being a cosponsor of the bill which he and the distinguished junior Senator from California have introduced relating to lieu taxation.

Mr. HUMPHREY. Not only would I not object, but I would be very much pleased. I heartily welcome the cosponsorship of the bill by the distinguished junior Senator from Arizona.

Mr. GOLDWATER. The Senator from Arizona thanks the Senator from Minnesota.

PROPOSED LEGISLATION FOR ARMED FORCES

Mr. RUSSELL. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. SALTONSTALL], by request, I introduce, for appropriate reference, four bills relating to the armed services.

Each of these bills is requested by the Department of Defense and is accompanied by a letter of transmittal from the appropriate military department explaining the purpose of the bill.

I ask unanimous consent that the letters of transmittal be printed in the RECORD immediately following the listing of the bills.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letters accompanying the bills will be printed in the RECORD.

The bills, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 1569. A bill to increase the annual compensation of the Academic Dean of the United States Naval Postgraduate School.

(The letter accompanying Senate bill 1569 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., January 5, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation to increase the annual compensation of the academic dean of the United States Naval Postgraduate School.

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by this Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to increase the statutory limitation which is now imposed on the annual compensation of the academic dean of the United States Naval Postgraduate School.

The present compensation of the academic dean of the Naval Postgraduate School was established in 1946 when that position was created by the act of June 10, 1946 (60 Stat. 236) for the Postgraduate School of the Naval Academy. When the postgraduate school was given statutory recognition by the act of July 31, 1947 (61 Stat. 706), and was established as a school separate from the Naval Academy and designated the United States Naval Postgraduate School, the provisions of the act of June 10, 1946, were made applicable to the academic dean of the United States Naval Postgraduate School.

Since 1946 no change has been made in the annual compensation of the academic dean of the Naval Postgraduate School, although two cost-of-living increases have been granted almost all other Federal Government employees. While the Secretary of the Navy may, under the authority given him by the act of July 31, 1947, grant to the other civilian members of the faculty of the Naval Postgraduate School cost-of-living increases comparable to those granted other employees of the Federal Government, he may not increase the compensation of the academic dean beyond $12,000 because of the limitation imposed on that salary by the act of June 10, 1946.

The academic dean of the Naval Postgraduate School is head of the civilian faculty of that school, a position which is similar to that of the dean of any of the outstanding engineering schools in this country. In order to retain a person of the high caliber which the position requires, the salary provided must be comparable with that offered by private institutions.

The proposed legislation would authorize the Secretary of the Navy to prescribe the annual salary of the academic dean at a rate not to exceed $13,500. An analysis of the figures obtained from a recent survey by the Department of the Navy of civilian institutions of comparable purpose and standing shows the present average salary for deans to be $13,500.

LEGISLATIVE REFERENCE

This proposal was submitted to the 83d Congress by the Department of the Navy on March 11, 1954, as a part of the Department of Defense legislative program for 1954. It was introduced as S. 3177 but no further action was taken thereon.

COST AND BUDGET DATA

Enactment of the proposed legislation would result in an annual increased cost of $1,500, which would be absorbed from existing appropriations.

Sincerely yours,

C. S. THOMAS.

S. 1570. A bill to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service.

(The letter accompanying Senate bill 1570 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C. January 5, 1955.

Hon. RICHARD M. NIXON,
President of the Senate, United States Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service."

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to make temporary officers of the naval service, whose permanent status is enlisted, eligible for voluntary retirement on completion of more than 20 years of active service, at least 10 years of which is commissioned service.

Section 6 of the act of February 21, 1946 (50 Stat. 27) provides that "When any officer of the Regular Navy or the Regular Marine Corps or the Reserve components thereof has completed more than 20 years of active service in the Navy, Marine Corps, or Coast Guard, or the Reserve components thereof, including active duty for training, at least 10 years of which shall have been active commissioned service, he may at any time thereafter, upon his own application, in the discretion of the President, be placed upon the retired list on the first day of such month as the President may designate."

The Comptroller General, in a decision dated July 22, 1952 (B-109511), has held that enlisted personnel serving under temporary appointments as commissioned officers are not "officers of the Regular Navy" within the meaning of that term as used in section 6 of the act of February 21, 1946 (60 Stat. 27), and therefore are not eligible to retire under that act. The effect of this decision is to limit these temporary officers to retirement under the laws relating to enlisted personnel. Under these laws they may transfer in their enlisted status to the Fleet Reserve or Fleet Marine Corps Reserve after the completion of 20 years of active service, with further transfer to the retired list on completion of 30 years' service, including time in the Fleet Reserve or Fleet Marine Corps Reserve, and advancement to their officer rank at that time.

When section 6 of the act of February 21, 1946 was enacted there were no temporary officers who could have qualified for retirement under its provisions and the possibility at that time that any of the temporary officers would complete the required 10 years of service in commissioned grades was considered remote. Substantial numbers of temporary officers, however, have continued to serve in commissioned grade and now have the required 10 years of commissioned service. The exclusion of these temporary officers from the privilege of retiring in their officer status after 20 years' service is an inequity which has no basis in value or type of service rendered. Their treatment in respect to voluntary retirement is discriminatory when it is considered that other classes of officers may retire under the law on the basis of service which is factually similar to that of these temporary officers. Among those are Reserve officers whose original status was enlisted, limited-duty officers, and commissioned warrant officers who are serving temporarily in higher commissioned grades.

The effect of this inequity will become more aggravated in the very near future. The readjustment of active duty officer strength to meet reduced budgetary provisions will require that many of the temporary appointments will be terminated. Many of these temporary officers with more than 20 years' service will be faced with the option of serving in enlisted grades or of transferring to the Fleet Reserve or Fleet Marine Corps Reserve in a status which gives no recognition to their years of valuable service in commissioned grades.

Enactment of the proposed amendments to the act of February 21, 1946, would make those temporary officers, whose permanent status is enlisted, eligible for voluntary retirement after the completion of more than 20 years of active service, at least 10 years of which has been commissioned service, and would permit them to have the highest rank in which they satisfactorily served when placed on the retired list.

LEGISLATIVE REFERENCES

This proposal was submitted to the 83d Congress by the Department of the Navy as

a part of the Department of Defense legislative program for 1954 but no further action was taken thereon.

COST AND BUDGET DATA

Enactment of this proposed legislation would result in additional cost to the Government, representing, in each individual case, the difference between retired pay in the commissioned grade to which the officer would be entitled to be retired and the retainer pay to which he would be entitled if transferred to the Fleet Reserve or Fleet Marine Corps Reserve, for the period of time from the date of retirement to the date when he would complete 30 years' service. There are now on active duty in the Navy 3,683 and in the Marine Corps 153 temporary officers, whose permanent status is enlisted, who as of July 1, 1954 will have less than 30 years' service. No estimate can be made of the number of those officers who would apply for voluntary retirement if the proposed legislation is enacted. It is expected that necessary reductions in numbers of temporary officers on active duty can be accomplished by retirements on 30 years' service until fiscal year 1957. Assuming that all officers who must have their temporary appointments terminated will elect to retire in their commissioned officer grades rather than transfer to the Fleet Reserve or Fleet Marine Corps Reserve in an enlisted status, the additional cost of the enactment of this proposed legislation is estimated as follows:

Fiscal year	Navy	Marine Corps	Total
1957	$4,207,692	$79,000	$4,286,692
1958	3,920,376	161,000	4,081,376
1959	3,570,528	156,000	3,726,528
1960	3,278,244	146,000	3,424,244
1961	2,970,600	129,000	3,099,600
1962	2,610,480	112,000	2,722,480
1963	2,235,828	98,000	2,333,828
1964	1,984,236	86,000	2,070,236
1965	1,482,924	70,000	1,552,924
1966	1,033,392	48,000	1,081,392
1967	611,640	17,000	628,640

Sincerely yours,

C. S. THOMAS.

S. 1571. A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year.

(The letter accompanying Senate bill 1571 is as follows:)

DEPARTMENT OF THE NAVY,
Washington, D. C., March 3, 1955.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year."

This proposal is a part of the Department of Defense Legislative Program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation would authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year.

The act of August 22, 1912 (ch. 335, 37 Stat. 331) authorizes enlisted men of the Navy and Marine Corps to voluntarily extend their enlistments for periods of 1, 2, 3 or 4 years. Likewise, section 1422 of the Revised Statutes, as amended (ch. 155, 18 Stat. 484; 34 U. S. C. 201) authorizes the retention of enlisted personnel of the Navy beyond the normal expiration of their enlistments when the vessel to which they are attached is outside the continental limits of the United States, in which event they may be retained until the vessel returns to the United States. The Army and Air Force do not have similar authority.

There are times when it would be advantageous to the Government and to the enlisted man concerned if enlistments could be voluntarily extended for periods less than 1 year. With respect to the Navy, a typical case is where a ship is scheduled to cruise beyond the continental limits of the United States for a period of several months but for considerably less than 1 year. It would be in the best interest of the Government and of the enlisted man, whose enlistments would normally expire during the period of the scheduled cruise, to be able to extend the time of enlistment for a period long enough to include the cruise. Similarly, some enlisted personnel of the Army and Air Force are often engaged in important activities which may carry over for a period of several months beyond the normal expiration of their enlistments. In such cases it would also appear to be in the best interest of the Government and of the enlisted personnel involved to be able to extend the enlistment for the short period necessary to complete the mission.

By authorizing voluntary extensions of enlistments for periods of less than 1 year, the Government would benefit by having the services of trained personnel during a cruise, activity, or special project and would not be required to provide replacements for those activities. The advantage to the enlisted man would be that he could participate in the project without being required to extend his enlistment for a full year or without being required to reenlist for a period of 3 years, whichever the case may be.

It is contemplated that if the proposed legislation is enacted regulations will be issued which will restrict extensions of enlistments for less than 1 year to those situations where acceptance of such extensions will be in the best interest of the Government.

COST AND BUDGET DATA

Enactment of this proposal would result in no increase in the budgetary requirements of the Department of Defense.

Sincerely yours,

C. S. THOMAS.

S. 1572. A bill to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes.

(The letter accompanying Senate bill 1572 is as follows:)

DEPARTMENT OF THE AIR FORCE,
Washington, February 3, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is enclosed herewith a draft of legislation, "To authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to authorize for nurses and women medical specialists of the Army and Air Force a two-fold benefit.

First, it would provide statutorily for extending to such personnel a service credit available under existing law to all other commissioned personnel of the Army and Air Force, namely, credit for the Federal commissioned service performed by the individual between December 31, 1947 and her appointment in the regular component. No more than 5 years of such service could be credited, however. The purpose of this credit would be to determine her position on the promotion list, seniority in her permanent grade, and eligibility for promotion. This service credit provision now applies to all other commissioned personnel of Army and Air Force by virtue of section 506 (c) of the Officer Personnel Act (10 U. S. C. 506c (c)), and section 307 of the Air Force Organization Act (10 U. S. C. 1837).

Secondly, it would provide a 3-year credit for any nurse or woman medical specialist of the Army or Air Force appointed initially in the regular component as first lieutenant who had not actually performed as much as 3 years' active Federal commissioned service since December 31, 1947. This type of credit is provided to take care of the individual whose initial appointment at first lieutenant grade is justified primarily upon her civilian experience in her specialty. Such credit is necessary for anyone appointed at a first lieutenant grade initially in the regular component in order to keep in good order the promotion list on which she is placed. The Army-Navy Nurses Act, as amended, requires completion of 7 years' service for promotion to permanent grade of captain (10 U. S. C. 166f). Eligibility for promotion to that permanent grade 4 years after an individual had been initially appointed in the regular component as a first lieutenant would be questionable unless there were some tangible evidence of a 3-year credit because of her appointment initially as a first lieutenant. In the absence of such a 3-year credit, a serious injustice could be done to anyone initially appointed in the regular component at first lieutenant grade.

It is emphasized that the two types of credit are not additive. The individual would be given whichever type of credit was greater, either that for active Federal commissioned service actually performed, up to a maximum of 5 years, or the 3-year credit, if her professional experience justified the first lieutenant grade, but her active Federal commissioned service subsequent to 1947 did not equal 3 years.

COST AND BUDGET DATA

Although this proposed legislation would be retroactive to January 1, 1948, it would require no increase in the budget for the Air Force because of promotions. If enacted, it would make certain Regular Air Force nurses and women medical specialists eligible at an earlier date for permanent grade promotion. In the case of every Air Force nurse and woman medical specialist who would be affected by this bill, however, the individual is already serving by temporary promotion in the higher grade for which she would be eligible by permanent promotion by reason of the service credit she would obtain by the enactment of this proposal.

For the Army, from the standpoint of promotions, there will be little, if any, effect on the number of grade changes that will be effected in the Army Nurse Corps and Women's Medical Specialists Corps if the proposed legislation is enacted. Inasmuch as the active duty officer strength of the Army is greater than the Regular Army officer strength, any grade changes resulting from

this legislation can be absorbed within the proposed budget limitations as well as those already in effect. Accordingly, it would require no increase in the budget for the Army because of promotions.

This proposal would not increase retirement pay costs for either Army or Air Force, inasmuch as under current law and as proposed for the future in the Department of Defense's current legislative program, a nurse or woman medical specialist is generally retired at the highest grade, temporary or permanent, in which she has served satisfactorily on active duty.

Sincerely yours,

HAROLD E. TALBOTT.

AUTHORIZATION FOR 10-YEAR PROGRAM OF FEDERAL-AID HIGHWAY CONSTRUCTION

Mr. CASE of South Dakota. Mr. President, I introduce for appropriate reference a bill to provide a 10-year program of Federal-aid highway authorization, to establish a system of interstate highways, and for other purposes.

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

The bill (S. 1573) to provide a 10-year program of Federal-aid highway authorizations; to establish a corporation to acquire rights-of-way required for the completion of the national system of interstate highways; and for other purposes, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. CASE of South Dakota. Mr. President, in connection with the bill I may say to the Senate that it has been introduced as a result of considerable study in connection with hearings currently being conducted by the Senate Public Works Subcommittee on Roads. The bill proposes a program which I believe will cost, in 10 years following the completion of the immediate fiscal year ahead of us, substantially a completed system of interstate highways, plus the completion of the regular primary, secondary, and urban systems. It is a bill which presents some new features in highway legislation. It proposes, through a right-of-way corporation, to establish earnings which will produce revenues of substantially $900 million a year, in addition to whatever might be made available by direct appropriations.

It proposes to set up regular aid appropriations by Congress, so that we may have a Federal program of approximately $2,700,000,000 a year for highway construction.

I earnestly commend the bill to the attention of the Senate and particularly of the Senators who are concerned with the highway problem.

Mr. CHAVEZ. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. CHAVEZ. Mr. President, I know of no one who has devoted more time to public roads, with few exceptions, than has the Senator from South Dakota. I wish to assure him that as chairman of the Committee on Public Works the suggestions contained in the bill which he has introduced will receive the most serious consideration from the committee this year.

Mr. CASE of South Dakota. Mr. President, I deeply appreciate the comment of the distinguished chairman of the Commitee on Public Works. I ask unanimous consent that a statement prepared by me pertaining to the bill be printed in the RECORD.

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

STATEMENT BY SENATOR CASE OF SOUTH DAKOTA

1. The bill proposes to apportion $1.8 billion per year from the Treasury for 10 years to highway purposes, one-half to the interstate system and one-half to the other systems; that is, $900 million to each.

NOTE.—The figure of $1.8 billion is arrived at by estimating the receipts from the Federal tax and motor oils at $54 billion in 30 years, and putting one-thirtieth of that amount to highway purposes for the next 10 years.

2. The bill proposes to create a national interstate highway right-of-way corporation to handle the acquisition of rights-of-way on request by the States, to finance and construct major bridges and tunnels. This corporation, it is planned, would provide another $900 million per year for financing of the interstate system by issuing $500 million in debentures each year for 10 years and $400 million from earnings (largely through license fees for trucks weighing over 20,000 pounds). The corporation would construct and operate major bridges and tunnels suitable for tolls. At the end of 10 years, the earning would be available for retiring the debentures issued.

The bill further proposes:

3. To offer Federal highway aid to the States on a 90 to 10 ratio of matching for roads on the interstate system and to continue the 50-50 basis for the other Federal primary, secondary, and urban systems.

4. To work into the interstate routes suitable existing toll roads and free roads without the reimbursement proposed in the report of the Clay Commission.

5. To increase the transferability between systems at State request from 10 to 20 percent, thereby to permit a balanced completion within the several States.

It is believed this plan will provide for the interstate something like this:

1. Direct apportionments per year	$900,000,000
2. Ten percent matching by States per year	90,000,000
3. Rights-of-way (½); bridges and tunnels (½)	900,000,000
4. Ten percent matching on rights-of-way	45,000,000
Estimated annual expenditures per year	1,935,000,000
Ten-year total of expenditures at above rate	19,350,000,000
Undisturbed fiscal 1956 program of $175 million, when matched on present 60–40 basis	291,000,000
Saving by not paying off toll roads in system	2,300,000,000
Saving by not reimbursing States for free roads	1,100,000,000
Measure of inter-State progress in 11 years	23,041,000,000

It is believed we could provide leadership to the States in completing other Federal aid systems as recommended by the Clay committee, the governors, and President Eisenhower by dividing the other $900 million of the capitalized funds as follows:

1. To the regular Federal-aid primary system, $360 million.

(Compares with $247.5 million in 1952 act and $315 million in 1954 act.)

2. To the Federal-aid secondary system, also $360 million.

(Compares with $165 million in 1952 act and $210 million in 1954.)

3. To the urban system exclusive of interstate access, $90 million.

(Bill also earmarks $270 million of interstate for urban work, thereby insuring $360 million each for the primary, secondary, and urban programs.)

4. To roads and highways on Federal lands or programs, $90 million.

(Suggested division: Forest highways $24 million, forest roads and trails $24 million; national park roads $14 million; parkways $11 million; Indian roads and bridges $8 million; public lands $1 million; Inter-American Highway (authorized in 1954) $8 million.)

Such a program does not dry up the revenues for 20 years after this authorization is completed.

It does not dedicate tax revenues to a special bond issue.

It provides the right-of-way corporation with solid user revenues to service its bonds.

It offers leadership and incentive to the States in completing all classes of roads.

It provides a way for those who contribute most to wear and tear—heavy trucks and buses—to contribute directly to the highways that will benefit them in a very high degree.

It protects the States in presently invested highway funds and polices the priority of projects by preserving the matching principle.

It avoids the undesirable precedent of direct linkage for tax levies that would plague future Treasury operations.

EXTENSION OF CERTAIN PURCHASE CONTRACTS OF FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to amend section 304 of title III of the National Housing Act, as amended, to provide for extension of certain purchase contracts of the Federal National Mortgage Association. I ask unanimous consent that I may speak on the bill in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the Senator from Alabama may proceed.

The bill (S. 1575) to amend section 304 of title III of the National Housing Act, as amended, to provide for extension of certain purchase contracts of the Federal National Mortgage Association, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, the Housing Amendments Act of 1953 enabled the Federal National Mortgage Association to enter into advance purchase contracts somewhat as follows. If a mortgagee would buy $1 million in mortgages from the Association, commonly known as FNMA, the Association could agree to purchase at a future date $1 million in mortgages from the mortgagee. This advance purchase authority was limited to a total amount of $500 million, and the Association had complete discretion as to the terms and conditions of the contracts. This feature of the law has become known as the

1-for-1 commitment program of the Federal National Mortgage Association.

Under this authority, the Federal National Mortgage Association has in fact entered into these 1-for-1 advance purchase contracts in an amount approximating $500 million. Exercising its discretion as to terms and conditions of the contracts, the Association fixed a time limit of 1 year within which the holder must deliver the mortgages for purchase by the Association. This 1-year period is usually ample time for planning and completing a house-building program, for selling the houses, for obtaining FHA mortgage insurance or a VA guarantee, and for presenting the mortgages to the FNMA. One-year periods have been used in the past and are usually quite satisfactory from the standpoint of both contracting parties. However, I am receiving information from builders all over the country that the 1954–55 building season was most unusual and that 1 year is not enough time.

One of the chief reasons given is that the volume of business handled by the VA and the FHA was so great in proportion to their work forces that very unusual processing backlogs developed.

Consequently, some builders who have proceeded promptly and diligently in reliance upon the advance purchase contracts now find themselves unable to deliver insured or guaranteed mortgages within the 1-year contract period. For this reason, the Association has been asked to extend these contracts for sufficient time to permit the completion of VA and FHA processing and other procedural details prerequisite to delivery of insured or guaranteed mortgages.

As I have previously pointed out, the Association has the authority to set the terms of these contracts and could grant the extensions which have been requested. The Association has been unwilling to grant these contract extensions. I believe that many builders are experiencing a real hardship, which is not of their own making, and which warrants sympathetic consideration. In this belief, I introduce a bill to provide for the extension of such contracts.

This bill would extend outstanding contracts for an additional year, and would revive certain expired contracts and permit them to run for 1 year following enactment of the legislation. For those contracts which have not yet expired, it gives enough time to overcome the delays enumerated above. For those contracts which have already expired solely because the time ran out, it restores the unused balance of the expired contract and grants 1 year within which to exercise the sales privilege in the amount of the unused balance.

I had hoped that these hardships would be alleviated by administrative action, and I still have that hope. But in the absence of such administrative action, I believe that this legislation is necessary and desirable.

Let me mention a few items of interest in connection with this subject.

Approximately $500 million in contracts have been authorized. As of March 18, 1955, approximately $337.5 million were actually purchased, out of the $500 million authorized.

There were on hand for purchase $23.7 million.

Approximately $20.8 million have been canceled or have expired.

Approximately $118 million in contracts are still outstanding.

This bill would extend that part of the $118 million which would otherwise expire in March, April, May, and June of 1955; and extend that part of the $20.8 million which was not used solely because the time ran out and the FNMA would not grant extension.

Extension of the contracts now outstanding, up to $118 million, would not add a single unit to present housing inventory. These houses are already underway and the bill would merely make good on a financing commitment already made by the Government.

Extension of any contracts already expired, up to $20.8 million, would probably not add any units during the present building season; but would enable FNMA financing up to this amount during the next building season.

The builders who are affected are widely scattered. I have received telegrams and other communications from builders in more than 30 States regarding the matter.

All mortgages are on low-cost housing, much of it for minority races. Private financing is available only at a high discount. That is one of the bad features about it, namely, that the Government does not go through with its commitment. The only hope for these people is for them to dispose of their mortgages at a heavy discount.

The bill will not increase the Government's participation in home financing. The act of 1953 set a $500 million ceiling, and the bill merely enables the Government to proceed up to that amount. This amount is already a contingent obligation on FNMA's books.

INVESTIGATION OF HEALTH CONDITIONS IN COMMERCIAL SLAUGHTERING AND PROCESSING OF POULTRY

Mr. DOUGLAS submitted the following resolution (S. Res. 84), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Senate Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation in order to determine whether, in the commercial slaughtering and processing of poultry, any unhealthy or unsanitary conditions exist which might result in the transportation or sale in or affecting interstate commerce of poultry that is in any way unfit for human consumption. The committee shall report its findings, together with such recommendations as it may deem feasible, to the Senate at the earliest practicable date.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

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. CASE of South Dakota:

Address by him on national highway program, delivered at New Orleans, La., on January 12, 1955.

By Mr. JENNER:

Address delivered by him before Indiana State Bottlers Association, Indianapolis, March 14, 1955.

Address delivered by him before National Society of New England Women, in New York, on January 24, 1955.

Statement issued by him in reply to inquiry regarding propriety of debating in colleges the recognition of Red China by the United States.

By Mr. JOHNSON of Texas:

Statement entitled "Michigan Farmers Await Action by Congress To Combat Declines in Farm Income," prepared by Senator MCNAMARA.

By Mr. WILEY:

Statement by him relative to domestic and foreign aspects of the international narcotics problem.

Editorial entitled "Atomic Energy for Peace," published in the World Veteran, New Era, for February 1955, together with masthead of that magazine, showing purposes, and so forth.

By Mr. THYE:

Address by the Secretary of Agriculture on the subject Food Packs and Marketing Methods Developed by Food Retailers, at a demonstration held by the Department of Agriculture this morning.

By Mr. KEFAUVER:

Statement entitled "The Civilian Conservation Corps After 22 Years," prepared by the Legislative Reference Service of the Library of Congress.

THE PARIS PACT

Mr. JOHNSON of Texas. Mr. President, over the weekend an event took place which advanced the cause of the free world and dealt the Communist cause one of its most stunning setbacks in many years.

I am referring to the French ratification of the Paris pacts.

These pacts are an essential cornerstone to the only structure which, in my opinion, holds out any hope of securing peace—an alliance of the free nations. The only alternatives are piecemeal surrender to communism or world war III.

Mr. President, this bright new hope underlines the need for responsibility on the part of all our people. There are some who are talking peace and there are some who are talking war. But we do not want a war party on the American political scene any more than we would want an appeasement party. We do want realistic policies that will secure peace and preserve freedom in the world.

The Paris pacts, of course, are only one step in working out such realistic policies. They represent the key which will unlock the door that thus far has prevented the alliance of free nations from attaining its full strength.

Now that we have that key in our hands, it would be folly to jeopardize our future through an irresponsible adventure for which we have not calculated all the risks.

Mr. President, I am looking forward with high hopes to the White House conferences on Wednesday and Thursday.

The President and the senior Senator from Georgia [Mr. GEORGE], who now occupies the chair, the distinguished chairman of the Foreign Relations Committee and the Democratic Party's most respected foreign-policy spokesman, appear to me to be in essential agreement. Neither has joined a war party, or an appeasement party, if such exists.

These conferences will follow fresh upon the Paris pacts. The President will find that Democrats are ready and willing to cooperate in building a structure which will strengthen the free world and brighten the prospects for the kind of peace we all want.

We are fully aware of the fact that the final decisions which will determine war or peace are the responsibility of the President. We are ready to help him with any advice and counsel at our command. But we are not going to try to take the responsibility out of the hands of the constitutional leader and try to arrogate it to ourselves.

Neither are we going to try to weaken the impact of the Paris pacts by undertaking to divert attention elsewhere. We recognize fully that the problems of peace are complex and that there is no one simple answer.

Mr. President, I was highly impressed this morning by an editorial in the great newspaper, the New York Times, which seems to me to sum up with great clarity the results of the French action. I believe this editorial is worthy of the attention of the Senate, and I ask unanimous consent that it be printed in the RECORD at this point as part of my remarks.

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

[From the New York Times of March 28, 1955]

FRANCE ACTS

The new Europe, which the best Western minds have projected since the end of the last World War, has started to assume the outlines of reality as a result of the approval of the Paris pacts by the French Council of the Republic. Since the National Assembly has already approved the pacts, the Council's action completes French parliamentary ratification of them, now subject only to automatic signature by President Coty. It thereby removes the biggest road block which wrecked previous projects of that kind, in particular the European Defense Community. It clears the way to final ratification by all the nations involved, including the United States. That ratification can now be expected in short order.

The Council's action is first of all a personal triumph for Premier Faure, who staked the life of his government on the issue, and a vindication of former Premier Mendès-France, who piloted the pacts through the National Assembly. But it is also a victory for France, for Europe, and for the whole free world, which will hail it with relief and gratification.

For these pacts, which create a western European union and expand the North Atlantic alliance to include a rearmed Germany, provide the essential key to an adequate western defense against Soviet aggression. The effect of that will not be confined to Europe alone but will be felt around the globe. Beyond that, they also establish a foundation of European unity on which can be built a political, economic, and military superstructure that should not only prevent further fratricidal wars between the western nations, in particular France and Germany, but might also realize the dream of a United States of Europe able to keep its own peace.

In that sense the French action also represents a stunning defeat for the Soviets, which tried to the very last to prevent ratification by a massive flow of threats and lures. They had already projected their countermeasures by threatening to denounce their wartime alliance with Britain and France, by formalizing the creation of an Iron Curtain "NATO," and by seeking to create a "neutral" zone across Europe resting on Yugoslavia, Austria, and Sweden, which would further divide the Continent. Their search for a rapprochement with Yugoslavia, their invitation to separate negotiations for the neutralization of Austria, and their attention to Sweden all point in the latter direction. But since it will still take 2 to 3 years before the projected German army of 500,000 can join the Western defense system, there is no reason to assume that the Soviets will drop their fight against what they term "German militarization."

Indeed, the outlines of their continuing battle against it are already becoming visible. That battle will be fought in the United Nations Disarmament Commission and its committees, where the Soviets are pressing a proposal to freeze all armaments as of Jan. 1, 1955, which would preclude the addition of German armament. It will also be fought in any new big power conferences—such as Premier Bulganin hints Russia is now willing to accept—where the Soviets can be expected to offer tempting but deceptive concessions in trade for an abandonment of German rearmament.

That is why it is advisable that, before moving toward a Big Four conference the Western powers should get together among themselves and agree on their future policies to defeat any new Soviet maneuvers. Unless there is such solidarity the Paris pacts are bound to fall, and that would leave a worse situation than before. The West, and Europe in particular, have long since been warned to "unite or perish," and that maxim is even more pertinent now than ever in the past.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. I wish to compliment the distinguished majority leader on the statement he has just made. To me it indicates a responsible attitude. I have been worried by newspaper stories which have appeared during the past weekend, to the effect that the country will be in war by April 15. I wonder whether the distinguished majority leader can tell the Senate whether those stories were "planted"; and, if so, by whom; and on what authority they were released.

Mr. JOHNSON of Texas. Mr. President, the first information that came to me, in my capacity as a Member of the Senate, or as a member of the Armed Services Committee, or as majority leader, was that which came from the press. I have received no information concerning the matter from any person in the administration.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield further?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. It is my hope that at the meeting with the President, later this week, that question will be brought up. It is also my hope that at the meeting the question of the so-called buildup of the Chinese Communists will be considered, and that any differences which may exist among the Joint Chiefs of Staff will be brought to the attention of the responsible congressional leaders.

Mr. JOHNSON of Texas. I share the hope of the Senator from Montana, and I think he may be assured that that will be done.

Mr. President, I am very hopeful and very optimistic that the White House conference may produce an agreement and a positive program, and may clear away a great deal of the confusion which has resulted from the various statements, made either with or without authority.

Mr. President, at this time I desire to refer to another subject.

The PRESIDENT pro tempore. The Senator from Texas has the floor.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I have a brief announcement to make for the benefit of the Senate: It is our plan to have a call of the calendar today. In the event Senate Resolution 72 is not agreed to during the call of the calendar, I shall later move that the Senate proceed to its consideration. That resolution relates to funds for the Armed Services Committee.

We hope it will be possible for the Senate to take a recess from today until Wednesday. On Wednesday, we expect to have before the Senate the military pay bill, House bill 4720, and the various tobacco bills, Calendar Nos. 107 to 111.

I may add that a short recess will be taken at about 2 p. m., in order that the Senate may receive the Italian Premier, the Honorable Mario Scelba.

Mr. President, it is our further expectation that, either on Thursday or on Friday, we may be able to proceed to the consideration of the Paris Accord, which we hope will be reported by the Foreign Relations Committee.

If we can conclude that by Friday, then we hope we may either adopt a resolution providing for a recess of the Senate from Monday, April 4, to April 13; or if by Friday it is not indicated that that is advisable, at least to give assurance to the Members that, insofar as we can arrange to do so, there will be no important votes during that period.

Later in the week I shall confer with the minority leader.

However, I wish to emphasize that if we do not complete action on the Paris Accord on Thursday or Friday, whenever it is reported, we may have a Saturday session. Of course there will be a yea-and-nay vote on that question.

Mr. THYE. Mr. President, will the Senator from Texas yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. THYE. The Subcommittee on Military Appropriations of the Appropriations Committee has scheduled hearings commencing April 4. In the event the Senate should take a recess from April 4 to April 13, what would be the plan relative to the Appropriations Committee's hearings which are scheduled during those days?

Mr. JOHNSON of Texas. Perhaps the Senator from Minnesota could obtain a

better answer from the chairman of the Appropriations Committee. I have been informed that several of the chairmen will hold hearings during that period. I cannot speak specifically for the chairman of the distinguished Senator's committee.

Mr. THYE. Mr. President, if I may make a further comment, I wish to state that, in view of the fact that we have not acted on any of the appropriation bills, except the supplemental bills, it would seem to me that for us to take a recess from April 4 to April 13 might jeopardize the allowance of sufficient time to enable the Appropriations Committee to give adequate consideration to all the appropriation items which are before the committee, as well as sufficient opportunity for adequate public hearings.

Mr. JOHNSON of Texas. Mr. President, I may say I do not know how much consideration the distinguished Senator from Minnesota has given the subject; but the majority and minority leaders have given it a great deal. First, I met with all committee chairmen. Second, I met with the minority leader, and suggested that he counsel with the ranking minority Members, or any other Members he might choose to consult. Third, we received reports from all the committees to the effect that, with the exception of the business outlined, the committees do not expect to report any measures which it would be necessary to consider during that period.

The only purpose of this announcement is to indicate that if this arrangement can be agreed to, the Senate will not be called upon to consider measures on the floor of the Senate. It will not in any way prevent committees from holding all the hearings they desire.

Mr. CHAVEZ rose.

Mr. JOHNSON of Texas. Does the Senator from Minnesota desire me to yield further?

Mr. THYE. No. I note that the chairman of the Subcommittee on the Department of Defense, of the Committee on Appropriations, is endeavoring to be recognized. I shall be glad to hear from him.

Mr. CHAVEZ. Mr. President, word has gone out that hearings will be held. Requests and invitations have been sent to the personnel of the Defense Department to appear before the Department of Defense Subcommittee of the Committee on Appropriations on the 4th of April. Acceptances have been received from the Secretary of Defense and several other officials, including the Secretary of the Army, the Secretary of the Navy, and even members of the Joint Chiefs of Staff.

It is not the purpose of the chairman of the subcommittee, or of the subcommittee itself, to complete consideration in 4 or 5 days of an appropriation bill involving $33 billion. However, inasmuch as notices have gone out, it is our purpose, during a period of 3 or 4 days, at least to hear representatives from the higher echelons of the Defense Department.

Mr. THYE. The only reason I asked the distinguished majority leader to yield long enough so that I might comment on the question is that I wish to make the record clear. Members of the Senate or of the House may have been invited to appear before various groups in their respective States. If the Senate were to take a recess, unless it were made clear that committee hearings were to be held, the constituents of some Senators might think that such Senators were not interested in returning to their respective States to see them. They would not be aware that those Senators were engaged in hearings on appropriation matters here in Washington, and were unable to take an Easter vacation.

Mr. CHAVEZ. Mr. President——

Mr. THYE. If the Senator will permit me to finish this thought, I did not wish the people back home to think that we did not want to accept invitations to appear before them and discuss legislation during the period of the recess. If we were free of our responsibilities they would expect us to return home. But if we are engaged in hearings on appropriations, that answers the question as to why we fail to appear in our respective States.

Mr. CHAVEZ. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. No one respects the "grass roots" and the people back home more than I do. They have kept me here for many years. Long before there were even any rumors that the Senate would have an Easter recess the Subcommittee on the Department of Defense of the Committee on Appropriations set a date on which to commence hearings. Notices have gone out to representatives of that Department, from Secretary Wilson down. After we learned that there was to be a recess, it was decided that, so long as the notices had been sent out, there was no particular reason, even if the Senate should be in recess, why the Subcommittee on the Defense Department of the Committee on Appropriations should not listen to the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Corps, and members of the Joint Chiefs of Staff during the period of the recess.

Mr. THYE. That was the information I was trying to get into the RECORD. The record is now clear that hearings before the Subcommittee of the Committee on Appropriations will go forward, even though the Senate is in recess.

Mr. JOHNSON of Texas. Mr. President, I hope every Senator understands—and I think most of them do—that the announcement I made on behalf of the minority and majority leaders did not contemplate the cancellation of any committee hearings or any other plans Senators may have involving committee activities.

BIRTHDAY ANNIVERSARY OF SENATOR LEHMAN

Mr. JOHNSON of Texas. Mr. President, I wish to call the Senate's attention to the fact that this is the 77th anniversary of the birth of one of our most distinguished Members, the junior Senator from New York [Mr. LEHMAN].

Few men in our history had had such a distinguished and brilliant career. He has been the friend and confidant of some of the greatest leaders of our times. He has devoted his entire adult life to the service of the American people.

And yet those of us who know the junior Senator from New York know equally well that he is only standing on the threshold of achievement. He is a man with a deep sense of duty who will never give up his struggle for the things he believes are good and right.

Although the junior Senator from New York and I have differed on many occasions, I have never lost the feeling of friendship and respect for him. He is a man who has never made an error of the heart. I wish him a happy birthday and many happy returns.

In this connection, I ask unanimous consent to have printed in the RECORD an editorial from the New York Times summing up the achievements of the distinguished Senator from New York.

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

OUR OWN JUNIOR SENATOR

New York State's junior Senator, as in strict accuracy he has to be styled, reaches his 77th birthday today. In view of his continued energy after so many years of service to the public the adjective does not seem out of place. HERBERT H. LEHMAN was earning a Distinguished Service Medal as far back as the First World War, when he had charge of procurement for the American Expeditionary Forces; he was twice Lieutenant Governor of this State and 10 years Governor; he carried on the vast transactions of the United Nations Relief and Rehabilitation Administration during and after the Second World War; he has been a Senator since 1950, always to be counted on when a good cause or a good principle needed defense. He has been a successful businessman whose use of his success has been to help the community.

Senator LEHMAN would be long remembered if he had only a half or a quarter of his career on the record. But it is a satisfaction to believe, as well as to hope, that at 77 his work is not nearly done. We give power and credit to youth in this country, as perhaps no other nation has ever done. But we need the mature mind, too, which often goes on growing after the body has begun to weaken and slow down. We need elder statesmen, and we are lucky that we have an outstanding one in our own junior Senator.

Mr. KEFAUVER. Mr. President, I am delighted to have the opportunity to join the distinguished majority leader [Mr. JOHNSON of Texas] in wishing the distinguished junior Senator from New York, on this, the 77th anniversay of his birth, much success and many more useful years.

Senators have come to admire this great man. He is a tireless worker. We know that he has indomitable courage. He stands by his convictions. Although he is a man of considerable means, he has always been interested in the welfare and the future of the small man, the average citizen.

As was so truly said in the second paragraph of the New York Times editorial, which the Senator from Texas placed in the RECORD:

Senator LEHMAN would be long remembered if he had only a half or a quarter of

his career on the record. But it is a satisfaction to believe, as well as to hope, that at 77 his work is not nearly done. We give power and credit to youth in this country, as perhaps no other nation has ever done.

I pay high tribute to the long public career and the character and attitude of this great public servant.

Mr. GREEN. Mr. President, I desire to associate myself with the remarks of the Senators who have expressed admiration for our distinguished colleague, the junior Senator from New York [Mr. LEHMAN], whose 77th birthday anniversary is being celebrated today.

I believe the outstanding characteristic of Senator LEHMAN, which has impressed me, in addition to the attributes which have already been mentioned, is that he embodies as well as preaches real democracy. Therefore he is entitled to the high position he has obtained in the Democratic Party. Moreover, his admiration for and interest in the common man is noteworthy.

Mr. FULBRIGHT. Mr. President, I know that all Members of the Senate on both sides of the aisle join me in extending felicitations and good wishes to the junior Senator from New York [Mr. LEHMAN] today on the occasion of his 77th birthday anniversary.

The public career of HERBERT LEHMAN is well known by all of us. To say that he has rendered distinguished and valuable service to his State and to his Nation is an understatement, for few men in this century have devoted more time and effort to unselfish public service.

The distinguished Senator has always been motivated by high principles. Many men in his circumstances have chosen to live lives of idleness and luxury, but the junior Senator from New York has instead chosen to work tirelessly for his fellow citizens.

I congratulate Senator LEHMAN on this important milestone and wish for him many, many more years of good health and useful public service.

Mr. HUMPHREY. Mr. President, I wish to join other Senators in paying appropriate tribute to one of our most distinguished Members, the junior Senator from New York [Mr. LEHMAN], who is 77 years old today.

Senator LEHMAN's record of distinguished service to this country is a part of the great history of our times. His brilliant service as Governor of the Empire State of New York is a memorable chapter in the role of State government, and responsible political action. His outstanding service as Director of UNRRA brought him the respect, confidence, and admiration of people all over the world. In the United States Senate he has stood as a champion of the people, particularly and most effectively in the field of civil liberties and civil rights. Likewise, he is an articulate spokesman of an enlightened foreign policy and of domestic programs that would lead to an expanding economy. His rich and extended experience in government plus his qualities of courage, integrity, and vision mark him as a statesman and patriot.

It is a mark of great stature and outstanding ability that Senator LEHMAN has been able through the many years of his very full life to give such noteworthy service to the people of his State and of the Nation. The United States of America is a better and greater Nation because of HERBERT LEHMAN. We salute him for service beyond the call of duty.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). It had been my intention, while the President pro tempore of the Senate presided, to say a few words on the 77th birthday anniversary of the junior Senator from New York. If the Senate has no objection, the junior Senator from Kentucky will proceed to say those few words from the rostrum.

I have known the Senator from New York for many years, first, as a private citizen, then as lieutenant governor of New York, then as governor of New York, then as the administrator of UNRRA, and, for the past few years, as a Member of this distinguished body.

I join with all his friends, without regard to politics, in congratulating him upon reaching his 77th birthday.

I celebrated my 77th birthday in November, and in January or February in this body I had the pleasure of welcoming the Senator from Georgia [Mr. GEORGE] into that fraternity, and now I am glad to join in welcoming into it the Senator from New York.

Some years ago in my home town in Kentucky one of my neighbors and friends celebrated his 100th birthday anniversary. The people were congratulating him and wishing him long life, and one of his neighbors said to him, "To what do you attribute your long life and your mental and physical activities?" The old gentleman replied, "I never smoked, I never drank, I never overworked, I never overate, and I never underslept." The friend said to him, "I had an uncle who lived the same way and he died at the age of 80." The old gentleman said, "He did not stick to it long enough."

I hope that whatever method has succeeded in bringing the distinguished Senator from New York to the age of 77 years will never cease to be effective and that he may not only live many more years, but that he may continue to serve the people of his State and of the Nation in the outstanding manner which has characterized his service up to this time. Without regard to politics, we are happy to congratulate him upon this milestone in his life and public career.

Mr. CHAVEZ. Mr. President, I wish to join with other Senators and with the Presiding Officer in paying tribute to the junior Senator from New York [Mr. LEHMAN]. I may add that I also wish to congratulate the Senator from Kentucky and the Senator from Georgia for having reached the age which they have attained and for contributing to the American way of life in the way they have done.

To me, the Senator from New York is an inspiration. To me, he represents all that is best and that which was intended by the American Constitution to be best. To me, he is the Declaration of Independence itself. To me, he speaks the wisdom of Jefferson and the practical activity of Andrew Jackson. To me, he has the kindliness of Abraham Lincoln. To me, he has the wisdom of Woodrow Wilson. To me, he is carrying on with those things which are best for America.

I think I can say advisedly, Mr. President, that I am a beneficiary of those things that are best for America.

I wish to congratulate the Senator from New York on his 77th birthday anniversary, and I hope the good Lord will vouchsafe to him many more years during which he may continue to counsel and serve the American people.

Mr. NEUBERGER. Mr. President, I should like to extend my good wishes to the Senator from New York [Mr. LEHMAN] on his 77th birthday anniversary. We in the Pacific Northwest particularly appreciate his statesmanship, because, although he lives about 3,000 miles across the country, in a State on the opposite side of the continent, yet he still has evidenced a direct interest in the resources conservation and hydroelectric programs of the Nation, which have done so much to develop the Pacific Northwest. I feel such an interest on his part is a further evidence of the diligence, enlightenment, and great courage which the Senator from New York has shown on public questions. I wish him and his gracious wife much happiness and good health for many years to come.

Mr. MANSFIELD. Mr. President, I should like to join my colleagues in extending felicitations to the junior Senator from New York, the Honorable HERBERT LEHMAN. His long public career has been marked by outstanding ability and great courage, and he has done much in behalf of the people of the State of New York whom he has represented so ably and so well, as well as the people of the United States.

Mr. MONRONEY. Mr. President, I desire to join my colleagues in extending congratulations to the distinguished junior Senator from New York [Mr. LEHMAN] on the occasion of his 77th birthday anniversary.

It has been my privilege to sit next to Senator LEHMAN in the Senate for the past 3 years. I know of no Senator who is more friendly, more helpful, or more conscientious in the performance of his duties.

In addition to our great appreciation of his sincere interest in progress, prosperity, and justice throughout the entire United States, we are keenly aware that his helpful leadership on world affairs has been a potent contributing factor to United States foreign policy.

So it is with great pleasure that I take this opportunity to wish for Senator Lehman many, many more happy and fruitful years of patriotic service to his country.

Mr. SPARKMAN. Mr. President, I should like to associate myself with my colleagues who previously have paid tribute to the distinguished junior Senator from New York [Mr. LEHMAN] on the occasion of the 77th anniversary of his birth. I have always admired the manner in which he has stood fast for the principles in which he believed. Even when one does not agree with him, he is always considerate, tolerant, courageous, and generous.

We in Alabama have a particular interest in the Senator from New York.

The story of the Lehman family is very interesting. When his people first came to this country they settled in Montgomery, Ala., and there engaged in the cotton business. There most of the Lehman children were born. As I recall, a brother and sisters of our distinguished colleague were born in Montgomery, Ala.

Back in the dark, dreary days about the time of the Civil War, times became pretty hard. The cotton business did not always thrive. Be that as it may, the Lehman family—father, mother, and children—decided to move from Alabama to New York. So it happened that the Senator from New York was born in New York rather than in Alabama.

He is a great Senator, a great citizen, and a fine colleague. I congratulate him most heartily upon the attainment of his 77th birthday, and wish for him many more years of happiness and great success.

Mr. MARTIN of Pennsylvania. Mr. President, I wish to extend my sincerest congratulations to the junior Senator from New York [Mr. LEHMAN] on his 77th birthday anniversary.

I have known Senator LEHMAN over a long period of years. He is very much devoted to the public service. Although we do not always agree on politics, I know he is sincere.

I wish to call to the attention of the Senate the fact that Senator LEHMAN is on the Initial General Staff Eligibility List, which was formulated immediately after World War I. The senior Senator from Colorado [Mr. MILLIKIN] is also on that list. I apologize for mentioning it, but I too, am on that list. The three of us have frequently met together, and the fact of our being on the list has been an additional bond which has held us together. We have had some interesting discussions in connection with that work. Incidentally, I should mention the fact that the Chairman of the Board of the Eligibility List was General of the Armies John J. Pershing.

I hope Senator LEHMAN will enjoy many more years of health and happiness.

REPORT ON THE RAILROAD PASSENGER-DEFICIT PROBLEM (S. DOC. NO. 24)

Mr. GEORGE. Mr. President, I ask unanimous consent that the 1954 report of the Special Committee on Cooperation With the Interstate Commerce Commission in the study of the railroad passenger-deficit problem, be printed as a Senate document.

This represents the third year of the study by this independent agency, in cooperation with the Interstate Commerce Commission, and I believe the report contains much pertinent information which will be necessary for consideration in connection with proposed legislation, in the event of the introduction of bills to meet this particular situation.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Without objection, it is so ordered.

JOHN W. DAVIS—STATEMENT BY SENATOR THURMOND

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement by the junior Senator from South Carolina [Mr. THURMOND] on the death of the Honorable John W. Davis.

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

STATEMENT BY SENATOR THURMOND

Americans who believe in the Constitution and in constitutional government have lost an outstanding advocate of these principles in the death of John W. Davis. Mr. Davis' record is too well known for me to cite in these few words. He was a great friend of many millions of Americans who never even knew him, because he defended and fought for the rights upon which personal liberty is based. His services to my State, without fee, in the school segregation case will stand as a monument to his integrity and ability.

Our country has lost a profound lawyer, an able statesman, and a true patriot.

MAY DAY—UNITED STATES WAY

Mr. WILEY. Mr. President, I was pleased to hear today from Omar B. Ketchum, national director of the Veterans of Foreign Wars, on behalf of the May Day-Loyalty Day Resolution, now pending before a Senate Judiciary Subcommittee. This resolution, Senate Joint Resolution 58, has been introduced by the distinguished junior Senator from Texas [Mr. DANIEL]. I heartily endorse the joint resolution.

It is completely consistent with the highest patriotic aspirations of the American people in making sure that May Day is never again misused by forces harmful to our beloved country, but rather that it is used as a great occasion for rededication by loyal Americans.

On May 1, 1955, it will be my pleasure to journey to Burlington, Wis., scene of the Nation's foremost loyalty day observance. This year, as last year, I shall address the assembly, at the invitation of Mr. Robert R. Spitzer, of the May Day-United States Way General Committee.

The event last year was one of the finest patriotic observations I have ever witnessed.

I send to the desk excerpts from the article which appeared in the May 2, 1954, issue of the Milwaukee Sentinel as well as excerpts from the article from the May 2, 1954, Chicago Sunday Tribune. I ask unanimous consent that the text of Mr. Ketchum's letter to me and the texts of these newspaper articles be printed in the body of the RECORD at this point.

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

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
NATIONAL LEGISLATIVE SERVICE,
Washington, D. C., March 25, 1955.

Re Senate Joint Resolution 58.

This is to express the interest of the Veterans of Foreign Wars of the United States in the above-captioned resolution to designate the 1st day of May 1955 as Loyalty Day, which was introduced by Senator DANIEL of Texas.

A companion bill on the House side has been reported favorably by the House Committee on the Judiciary, and it is expected that the bill will come up on the unanimous Consent Calendar in the House on Tuesday, March 29, with chances for passage without objections appearing most favorable.

In the 83d Congress an almost identical bill was approved by the House and was reported favorably out of the Senate Judiciary Committee, but unfortunately it came out too late to be called up for consideration in the Senate during the hectic closing hours of that body. You will note that Senate Joint Resolution 58 seeks only to establish May 1, 1955, as Loyalty Day, and unless the legislation is approved by both branches of the Congress and signed by the President well in advance of May 1, the purpose of the bill will be defeated.

It will be deeply appreciated if the Senate Committee on the Judiciary could consider Senate Joint Resolution 58 favorably in the very near future so that with the impending House action assurance could be had that the bill would become public law well in advance of May 1.

Sincerely yours,

OMAR B. KETCHUM,

[From the Milwaukee Sentinel of May 2, 1954]

THIRTY THOUSAND CHEER "MAY DAY, UNITED STATES WAY" AT BURLINGTON—WILEY, MCCARTHY TALK AT DAY-LONG LOYALTY DISPLAY

(By Trueman Farris)

BURLINGTON, May 1.—This May Day was one of the finest days in Burlington's history and it was a great day for America, too.

An estimated crowd of 30,000—5,000 more than had been anticipated—lined the streets of this small southern Wisconsin city Saturday to show the Nation and the world what "May Day, United States Way" should mean.

BEGINS WITH PRAYER

The day began with prayer as citizens attended special religious services in all churches.

Then came the bands and floats and marchers in the giant parade lasting nearly 3 hours.

At an afternoon rally at the Burlington High School athletic field, Republican Senators WILEY and MCCARTHY spoke. The day ended with dancing in the streets.

The formal festivities were fine and appropriate, but it was the ordinary American citizen who made this a great day for Burlington and for America.

WE BELIEVE

They came from local business places and surrounding farms to tell the world, "We believe in America and the things for which it stands."

Corny? It could have been had this been a false thing staged by a select few. But it was not. It was a demonstration that truly belonged to the people.

There was something about the way the people waved the flags or snapped to attention when the colors passed by that added up to an inspirational endorsement of the American way of life.

The people lined every available space along the 2½-mile parade route. Some sat on folding chairs or blankets. Others found vantage points on roofs. Many brought lunches and thermos bottles of coffee or lemonade.

CROWD EIGHT DEEP

The crowd stood eight deep in the downtown area. Others watched the 5,000 marchers and 70 floats from second- and third-story windows.

A member of the sponsoring committee reported that the Burlington clergy had promised to say special prayers for good weather. Their prayers were heard. In

spite of a forecast of rain, a bright sun beamed down during the parade and afternoon talks.

An indication of the spirit in which Burlington approached "May Day, United States way" was the float sponsored jointly by the Burlington High School and St. Mary's High School. The float emphasized the Bill of Rights and the significance of a free educational system.

Burlington's streets were crowded with hundreds of cars from dawn until late at night, but 170 auxiliary police and National Guardsmen handled the traffic flow well.

EMPHASIZED PEACE

This, then, was Burlington's idea of what May Day should mean in America. Instead of the violence and bloodshed of other May Days, this was a holiday that emphasized peace and the dignity and rights of man.

A sign hanging over the door of a private home along the parade route told the story in a nutshell. The sign read: "Welcome, fellow Americans."

That was the philosophy behind Burlington's May Day. That's the way it was at "May Day, United States way."

[From the Chicago Tribune of May 2, 1954]

TYPICAL CITY STAGES MAY DAY, UNITED STATES WAY

(By Robert Howard)

BURLINGTON, WIS., May 1.—In a history-making demonstration of Americanism, Wisconsin today helped Burlington, a typical American city, to celebrate May Day, United States of America, as a symbol of repudiation of communism.

May Day is the traditional revolutionist holiday in Russia, once an annual date for violence, bloodshed, and attempted revolts.

Burlington's May Day was a 2½ hour parade. The 5,000 participants outnumbered the city's 4,800 population. Police estimated 30,000 persons lined flag-draped streets to watch the march.

TWO SENATORS SPEAKERS

The parade, over a mile and a half route, was led by the Fifth Army band. Following were bands and drum corps, big and little, from Marquette University, high schools, veteran organizations, and community groups. Also in the line were marching units and floats decorated on the theme that Americanism is worth protecting.

Later a mass meeting heard Wisconsin's two United States Senators, MCCARTHY and WILEY, both Republicans.

THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning hour, the Senate may proceed to the consideration of the Legislative Calendar.

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

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that the unanimous-consent agreement regarding the call of the calendar be modified to provide that following the speech of the Senator from Montana [Mr. MANSFIELD] the Senate proceed to the consideration of the bills on the calendar.

The PRESIDING OFFICER. Without objection, the agreement will be so modified.

AMERICAN FOREIGN POLICY

Mr. KNOWLAND. Mr. President, I ask permission to proceed for not to exceed 3 minutes.

The PRESIDING OFFICER. Without objection, the Senator from California may proceed.

Mr. KNOWLAND. Mr. President, I was somewhat at a loss to understand the reference made by my good friend and colleague, the majority leader [Mr. JOHNSON of Texas], in his remarks earlier today with reference to a so-called war party. I know of no war party in the United States. I know of no war faction in the United States——

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I cannot yield at this time.

Mr. JOHNSON of Texas. But the Senator has, I think, misquoted my statement.

Mr. KNOWLAND. I shall be glad to yield later.

Mr. President, I am not an old man. I expect to celebrate my 47th birthday in June of this year. During that relatively short lifetime our country has been engaged in World War I, World War II, and the Korean war.

It so happens that those three wars were fought under Democratic administrations. I served in World War II, and as a Member of the Senate I supported the stand taken by the Democratic President of the United States in resisting Communist aggression because I felt it was necessary for the free world to stand firmly against Communist aggression.

Mr. President, we should have learned by this time that the road of appeasement is not the road to peace, but is surrender on the installment plan.

I ask this question, which I think is one the Congress and the country will have to answer: After having taken a firm stand in the month of January of this year by passing the Formosa resolution by a vote of 410 to 3 in the House and a vote of 85 to 3 in the Senate, are we to be placed in the position of marching up the hill and, as soon as there are some dire Communist threats, marching down again in the face of those threats?

Mr. President, are there any who would condemn to perpetual slavery behind the Iron Curtain the people of Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Latvia, Estonia, and Lithuania, nations which lost their freedom through no fault of their own; who lost it because of certain wartime agreements or by aggressions by Communist Russia?

Is a proposal to be made to welcome into the United Nations Communist China, a nation which has inflicted 140,000 casualties upon our Armed Forces, including 35,000 dead; a nation which admittedly now holds 15 American airmen, contrary to the armistice terms, and which, there is strong reason to believe, is holding several hundred other U. N. prisoners, including Americans?

Is the proposal to be made that we turn over to the Chinese Communists more of free Asia, regardless of the consequences to the free peoples of Asia?

No, there is no war party, and there is no war faction. But I think there are Members on both sides of the aisle who desire our policy to be not one of peace at any price, but peace with honor.

Mr. JOHNSON of Texas. Mr. President, I had hoped the Senator from California would yield to me, because we had a similar experience the other day.

I now ask unanimous consent that I may proceed for not to exceed 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Texas may proceed.

Mr. JOHNSON of Texas. If the minority leader read into my statement a declaration that a war party existed, and that anyone was leading such a war party, he did not read into it what I said.

I said that the people of the United States, in my opinion, do not want a war party, nor do they want an appeasement party. I said that we looked forward with optimism and hope to the possibilities of a positive program for peace.

If the distinguished minority leader interpreted my statement as meaning a proposal to welcome Communist China into the United Nations, he goes far afield of anything the majority leader said. I conclude by saying that I think we speak for all the people when we say that they prefer peace to war; and if, when we say that, we find others in disagreement, then, if the shoe fits, let them wear it.

FARMERS' ECONOMIC PLIGHT

Mr. NEUBERGER. Mr. President, the farmers are still in a recession, and their plight recalls the 1920's, when agriculture slumped long before the big depression. The farm problem is worse now, and bigger trouble lies ahead.

The farmers' share of the national income is at its lowest point in history, and has been steadily declining under the policies of the present administration. In a series of excellent charts and graphs accompanying an article on the subject published in the U. S. News & World Report, it is indicated that the farmers' share of the national income has dropped from 9.4 percent in 1951 to 7.2 percent in 1954. This represents a drop in farm income during the last 2 years from $23 billion to $20 billion. Prosperity is leaving the farmer behind under the policies of the present administration. The drop in farm income and the farmers' share of the national income from 1951 to 1954, under the policies of the present administration, has been more rapid than in any period since the end of World War II.

The farmer is squeezed between high costs for the things he buys and low prices for the things he sells. Another chart from the U. S. News & World Report indicates that the prices farmers paid and the prices farmers received in 1952 stood at an even balance, while today, on the parity scale, the prices farmers pay stand at 283, while prices farmers receive for their produce stand at 243. Since 1952, under the present Eisenhower-Benson farm policies, the gap between what the farmer must pay for the goods he buys and the prices farmers are receiving for their produce has been ever widening. According to the chart, prices farmers pay and the

prices farmers receive stood in balance in 1952, and today the imbalance against the farmers is the greatest since the end of World War II.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an excellent article from the pages of the U. S. News & World Report for March 25, 1955.

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

WHERE TIMES ARE GETTING HARDER

Farmers still are in a recession, while other people prosper.

Their plight recalls the 1920's, when agriculture slumped long before the big depression.

This shows that the farm problem is worsening now, that more trouble lies ahead.

One major industry affecting many millions of people is not sharing in the Nation's business recovery.

This great exception is agriculture.

Farmers are getting less for their crops. They are being forced to grow less. Their costs are high. Their incomes are shrinking.

Last year, farmers had the smallest share of the national income on record—7.2 percent, as shown in the chart on this page.

As yet, there is no solution in sight for their problem. Time and again, Government officials have sensed a change for the better. At times, prices strengthened. But, each time, the improvement proved momentary.

Thinking back to the 1920's, some economists now are wondering if this long-continued trouble in farming may not prove to be a serious weakness for the Nation as a whole. History, especially in the twenties, shows that, when farmers suffer over a long period, other business is likely to be hit.

Millions are affected: Farmers today are a smaller group but still big enough to have an impact. The Government figures there are about 21 million people living on farms, and about 31 million more in rural areas closely tied to the farm. Thus, nearly a third of the Nation is affected by a drop in farm income.

Farm net income was about $12 billion last year. That figure makes an allowance for expenses, taxes, and value of home-grown food and feed. Farmers got 40 percent more in their best year, 1947. Thus the drop, from peak prosperity, has been great, though most farmers still are much better off than before World War II. The drop in 1954 from 1953 was 10 percent.

The Government had expected the drop from 1953 to be about 6 percent.

Now, a further drop of about 4 percent, to 11.5 billion, is being forecast, unofficially, by the Federal experts for 1955.

What's the trouble? Behind the farmers' plight are two big factors: price weakness and heavy surpluses.

Farm prices just haven't leveled off the way the Government and many private economists thought they would. Right now, in a time of great business strength, farm prices have been showing weakness.

Cotton in rural areas, a short time ago, sold for slightly less than the Government price support.

Farmers are selling wheat at a discount of about 14 cents a bushel from the price support, corn at a discount of 27 cents, rye at a discount of 31 cents.

Hogs are the cheapest since 1949. Cattle prices are up from last year's lows, but have lost ground recently.

Supplies are so big that, unless there is a war or some other calamity, real strength in prices can't be counted on soon. Farmers will produce less. But consumers will have plenty of meat, flour, fiber, eggs, poultry, dairy products, just about everything the farmer grows.

The supply of wheat on July 1 is expected to be about 975 million bushels. That is more than the United States uses in a year, and three times the normal carryover, as the Government figures it. And a new crop is coming.

Corn at the start of the growing season this year is estimated at 918 million bushels, already on hand. That's a third of what is used in a year. And a whole new crop is about to be planted.

Before the 1955 cotton crop is picked, the United States will have on hand something like 9.8 million bales of old cotton.

Effect of acreage cuts: The Government hopes to hold production on new crops to less than the normal year's use, thus reducing the huge surpluses. But the surpluses will shrink little, the economists say, unless there is a crop failure. Big supplies still will be handling over the market at the end of this year.

But acreage cuts will mean this to the grower: less income. Wheat farmers of the Great Plains will be sowing about 30 percent less than they did 2 years ago. And what they reap brings a lower price.

In Southern States, cotton acreage has been reduced by more than 27 percent since 1953. Here, too, farmers are feeling the cuts.

Meanwhile, farmers expect to raise more pigs this year than last. That keeps the price low but holds volume up. Cattle on ranges and farms also are more numerous than they were a year ago, the Government says.

For those who sell livestock, big volume helps offset low prices. Still income declines.

Most farmers will have less coming in.

Expenses hard to cut: They'll be trying to cut expenses. So far, this has proved difficult. Since 1951, cash received by farmers has diminished by $2.8 billions a year; production expenses have declined only half a billion.

Feed costs less. But feeder cattle cost more; cost of animals purchased for fattening early this year has risen more than has the price of fattened steers.

The big corn-hog producer figures his costs at 12 cents per pound of hog; he gets about 15 cents. The 3-cent margin has to pay for his own work, his investment and family expenses.

Fertilizer is costing less than last year. But seed to be planted on land taken out of corn and wheat has become more costly—especially grass seeds, clover and alfalfa seed.

Farm wages are down. The farmer is buying less machinery than he did when he felt more prosperous. But family needs are more expensive. And taxes are rising.

Farmers have gone deeper into debt. The Government says mortgages on farms increased by 7 percent last year. Interest payments on mortgages are increasing.

The overall result is shown in the chart: Farm costs per unit of crop have inched up for the last 2 years despite efforts to cut down.

Getting by: What the broad figures don't reveal is the wide differences in the fortunes of different types of farmers. Hard hit are wheatgrowers on the Great Plains who haven't much choice but to grow wheat, or cotton farmers tied almost entirely to cotton and lacking latest equipment. Small farms without machinery feel a real pinch.

Less hurt is the medium sized Midwestern farm that is well equipped and versatile. It still supports the family, with some profit, though the profit is smaller than before. There is more leeway to meet hard conditions.

Distress would be greater except that many have moved off the land in the last decade. A smaller income is being shared by fewer farmers. Those who remain are more efficient.

Even so, they feel the pinch. As consumers, they are not able to buy as freely as last year; they share the lowest income since World War II. When most other people are feeling well off, farmers get no lift from the business boom.

TIDELANDS OIL LEGISLATION

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent editorial published in the Medford Mail Tribune of March 17, 1955.

To those who argue that the tidelands oil giveaway several years ago amounts to nothing, it is worth pointing out that California, as one of the favored four States, hopes to get $2.5 billion in revenue that should belong to all the people of the United States, and could be used to light the lamps of education. The Federal Government is getting only 16 or 17 percent of the revenue, while the four lucky States are getting billions of dollars.

The excellent editorial by Robert W. Ruhl, editor of the Medford Mail Tribune, points out the great loss of revenue to Oregon and to the United States. Mr. Ruhl is a former winner of the Pulitzer Prize for excellence in editorial writing.

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

NO GIVEAWAY?

It is now being claimed that the tidelands oil bill was not a giveaway because a "major portion" of the profits therefrom are going, not to the oil companies, but to the Federal Government.

At the same time it is admitted the Government gets only one-sixth of the profits, on a royalty-lease basis to the private companies.

This appears to be another case wherein figures don't lie, but liars figure.

Since when has 16 or 17 percent of a sum represented a "major" and 83 to 84 percent a minor portion?

Someone should take a refresher course in primary arithmetic.

In the same quarter it is now being stated there was no giveaway because the tidelands oil profits going to the lucky four States have to date been "disappointing."

How have they been disappointing?

This will be news to John M. Pierce, finance director of one of the lucky States—our plutocrat neighbor, the other side of the Siskiyous—California.

He predicted only a few days ago California may be able to realize as much as $2.5 billion in oil royalties by permitting offshore oil drilling.

This would be based upon a 35-percent instead of a 17-percent royalty. If the State of California can count on a profit like this, how about Texas, not to mention Louisiana and Florida? Where is the disappointment? How much is enough?

The contention of Senator MORSE and others was the offshore oil (not within but out beyond the legal 3-mile limit) did not belong to three or four abutting States but to all the States—to the American people, as a whole.

And the profits therefrom should therefore go to all the people, not to few lucky States. This view was sustained in principle by the United States Supreme Court.

Of course the cry of "socialism" was raised. But there was no socialism involved. There was no idea of having the Government itself pump the oil and sell it.

The idea was to have the control and ownership in the hands of the Government, just as the Continental Shelf is Government property today. Then leases for operation favorable to the Government, could be granted and the profits from same distrib-

uted on a fair and equitable basis, to all the States instead of only four.

But the big giveaway proposal succeeded. The four big States and the big oil companies won.

The somewhat amusing feature is that now those who supported the giveaway are trying to prove it wasn't anything of the sort, because the four States, they claim, haven't cashed in as much as expected and on some of the lands the Government is getting more—a cut of 16 to 17 percent from the private operators.

Where is the evidence of this?

Isn't $2,500,000,000 probable profit for the State of California and approximately $4 billion to the private oil companies operating in that State, a fairly good return on the investment—particularly when the investment consisted not of money so much as political manipulation, skillful lobbying, and the usual wirepulling in important Government places?

It looks like quite a giveaway to this department.—R. W. R.

AMERICAN COMMITTEE FOR PROTECTION OF THE FOREIGN BORN

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared with reference to delegations purporting to represent the American Committee for Protection of the Foreign Born, or its local subsidiaries.

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

STATEMENT BY SENATOR EASTLAND

The attention of the Senate Internal Security Subcommittee has been called to the fact that delegations purporting to represent the American Committee for Protection of the Foreign Born, or its local subsidiaries, are visiting the offices of Senators in behalf of certain recommendations regarding immigration legislation. For the information of any of my colleagues who may not know it, I want to point out that this organization has been cited as subversive and Communist by Attorney General Tom Clark in letters to the Loyalty Review Board released June 1, 1948, and September 21, 1948.

Abner Green appears on the literature of the American Committee for Protection of the Foreign Born as its executive secretary. When Abner Green appeared before the Senate Internal Security Subcommittee on June 22, 1954, he invoked his privilege under the fifth amendment in refusing to answer the following questions:

1. As to his being the executive secretary of the American Committee for Protection of the Foreign Born.

2. As to his being served with a subpena addressed to Abner Green, alias Abraham Greenberg.

3. As to his past or present membership in the Communist Party.

At that same hearing, on June 22, 1954, Mr. Green expressed his opposition to provisions of the McCarran-Walter Act, also known as the Immigration and Nationality Act of 1950, which tighten up on the admission into this country of Communists. Mr. Green also expressed his opposition to the Internal Security Act of 1950.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there further morning business? If not, morning business is closed.

JAPAN: NEXT CRISIS IN ASIA

Mr. MANSFIELD. Mr. President, the past 10 years might well be termed the decade of crisis diplomacy. Those charged with the conduct of foreign relations, particularly in recent times, seem to be involved in a continual race against time. No sooner do they catch up with one crisis when another looms on the horizon and they are off again in hot pursuit. Trailing close behind them is the lengthening shadow of the atomic annihilation of civilization.

It is inevitable in international relations, no less than in human relations, that difficulties may sometimes arise suddenly and unexpectedly. One of the principal functions of an effective foreign policy, however, is to reduce such occurrences and to minimize their shock.

In this respect foreign policy is something like flood control. We take measures to make a Mississippi or a Missouri less dangerous to the Nation. We heed the storm signals along the rivers and act to protect the valleys from the rising waters.

By the same token, foreign policy should serve to safeguard the Nation from perilous trends abroad. For the most part crises do not arise without warning. The danger signs can be seen long before a situation becomes acute. In more recent years, nevertheless, crises have often been permitted to creep up on us and strike suddenly. Each shock of this kind adds to the sense of futility which alreadys grips many people in this country when they try to understand the international problems of the Nation.

I believe the citizens of the United States are willing to face these problems, but they must know what it is they have to face. As it is now, they are confronted one day with the threat of war and the next with the promise of peace. The cycle of alternating threat and promise serves only to spread confusion and uncertainty in this country. This is a weak base on which to build support for the measures the United States must pursue in its relation with other nations.

The people have a right to something more than a hand-to-mouth foreign policy, just as they have a right to expect more than that kind of existence at home. They have a right to be kept fully and soberly informed on gathering difficulties before, not after, they reach the crisis stage. And they have a right to know whether everything that can be done is being done to minimize such difficulties.

Considerations of this kind lead me to return to a subject which I raised initially on the floor of the Senate on August 13 of last year. Members of the Senate will recall the state of our foreign policy at that time. The Nation had been caught off guard by a crisis in Indochina engendered by the Geneva Conference, and by another in France over the EDC.

It was necessary to deal with the immediate problems growing out of these two situations, and they were dealt with, by the Southeast Asia Pact and by the London-Paris accords. These devices, for all their merits, however, served only to pick up the pieces. They did little to catch up with rapidly moving developments either in Europe or Asia. In my remarks last August I pointed out that—

The tide of international affairs is flowing on in the aftermath of Geneva to new crests elsewhere on the globe to areas which in the next few months may become keys of decision in the struggle to turn back the drive of totalitarian communism. These areas are Germany and Japan.

In the months since last August, however, our foreign policy has largely ignored those two key areas, particularly Japan. The difficulties inherent in them now are rapidly closing in on us.

Today, therefore, I desire to redirect attention to one of these key areas—to Japan. If we are not to face another crisis in that area, then it seems to me of the highest importance that we review the situation respecting that country without further delay. If we are ever to get out of the straitjacket of crisis-foreign policy, we must look beyond the immediate, and prepare now to deal with what lies ahead.

We cannot, of course, ignore the pressing situation in the Formosan Straits. But no one seems to know at this time what will happen there. The American people do not know. The Senate does not know. I doubt whether even the President knows. We have been told by the executive branch, not once but many times, that developments in that area have been left to the Chinese Communists.

Regardless of the outcome of the Formosan crises, however, developments in Japan are of the greatest significance to the United States and to all countries with interests in the Western Pacific. There is not likely to be a peaceful settlement in the Far East unless Japan is a party to it. Nor is there likely to be a major war in that part of the world into which the Japanese will not inevitably be drawn.

Japan, in short, is a key to war or peace in the Far East. Yet in all the statements and press releases issued by the executive branch in recent weeks the Japanese have gone virtually unnoticed. If they are mentioned at all, it is usually in an historical sense. It is as though these 90 million people in the core of the Western Pacific had sunk into a hole in the sea.

Japan has not disappeared. The Japanese islands are still with us, and—beyond Formosa, beyond Korea—they are the real objective of any aggression originating on the Asian mainland. They are the natural target because they contain the greatest concentration of industrial plants and industrial skills in Asia, and that concentration includes the capacity for developing atomic energy. Japanese technical power welded to Chinese manpower and resources could raise the power of Asian communism enormously in a relatively short time. I hardly need point out the towering threat that this combination would represent, not only to Alaska, the Philippines, Australia, or New Zealand but to the American continent itself.

That is one prospect in the Japanese situation. It is not the only one. It may be that instead of trending toward war events in the Far East will move away from war. It may be that the cease fire in Korea and the cease fire in Indochina are preliminaries to a similar truce in the Formosan Straits. If that

is the case, then the three points of military contact between the Communist and the free nations in the Western Pacific will have been stabilized and the stage will have been reached when a general settlement in that region would become possible.

In that event, the situation in Japan will be of inestimable importance. In peace, no less than in war, the 90 million Japanese are a decisive factor. They have much to contribute to the building of the conditions of peace in Asia. The energy generated by their intelligence, their skills, and their industriousness must find a constructive outlet of this kind or it will surely discover a destructive one. The Japanese can go forward with other nations in peaceful progress or they can turn off again on the road to renewed conflict. The only path not open to them is that which leads back to the age of exclusion.

Before Japan drifts into the decisions from which there is no returning, before the die is cast for war or peace in the Far East, it seems to me essential that we ourselves comprehend fully our objectives in that region. It is also essential that we express these objectives through our foreign policy with a clarity and an affirmativeness that will be understood by friend and foe alike. It is too late for that in Korea. It is too late for that in Indochina. It is too late for that in Formosa. We have drifted in all of these regions until they have now become areas of crises, and they are being dealt with by a crisis-foreign policy.

It may still not be too late, however, in Japan.

This country's interests, as I understand those interests, would best be served by a situation in which an independent and self-supporting Japan lives in peace in the midst of independent and self-supporting Asian nations. That kind of a situation would contribute enormously to the security of the United States and all countries with interests in the western Pacific. It would permit trade and scientific and cultural relations to flourish, with consequent benefit to us, as well as to others. It would provide an atmosphere in which the concept of human freedom can survive and grow in the Far East.

We may not be able to achieve these objectives next year, 5 years from now, or 50. But let us at least keep in mind what they are. Let us know where we are trying to go, before we set out.

What is of the greatest significance in these American objectives of security, trade, freedom, and scientific and cultural exchange is that they need not conflict with the real interests of the Japanese people, those of the Filipinos, or those of any other peoples in the western Pacific, including those of the Chinese people, as distinct from those of their masters. Our national interests are in harmony, not in dissonance, with those of all peoples in the Far East, except a small, power-drunk minority. That minority of arrogant would-be conquerors has kept the region in turmoil through the past decade. They have exacted a vast tribute of human suffering and material sacrifice to feed their ambitions.

With that minority, wherever it may raise its head in the region, there can be no compromise of principle, nor need there be. So long as it is clear that our national objectives are in accord with those of the people of the area, we shall not lack allies in this struggle, whether it lasts 1 year or a hundred, whether it is peaceful or violent.

It is one thing to define objectives. It is another to achieve them. We cannot will our objectives into being by the wave of a wand. We cannot buy them into being. We cannot talk them into being. We cannot bomb them into being.

Mr. President, we can only work steadily to bring them into being. Even in this approach, there is a limitation. Enormous historical forces—some ancient, some modern—are present in Asia. Nationalism, democracy, religion, Marxism, technological development, population pressures, and many other influences and forces move throughout the region in obscure patterns. Responsibility for creating circumstances of peace and progress in the Far East out of the interplay of these forces rests in the first instance with the people of each Asian nation; and, beyond them, with the region as a whole. The amount of lasting influence which this country or any other country outside the region can exert by foreign policies alone over the flow of events in Asia is far less than that which we exercise over a Mississippi or a Missouri. Our foreign policy, whether it involves military, economic, or diplomatic measures, has a role to play in this situation; but it is, at most, a peripheral role.

But just as we do not abandon flood control because the rivers are not easily tamed, so it is that we cannot abandon our legitimate objectives in the Far East; for we shall either work with others for the ends of common security and progress in the western Pacific, for a peace of freemen, or we shall work much harder merely to save our skins when some new crisis finally flows over the flood stage into a great new war.

Those are the alternatives before us. If the American people know the facts, if their leadership is genuinely positive, there is little doubt as to the choice.

Some of the most important of these facts concern Japan. They must be faced bluntly, and they must be faced now.

Since the end of World War II, the Japanese people have moved a long way from the repressive institutions which led them into that disastrous conflict. Strong forces for peaceful, democratic progress are now working inside Japan. This does not mean, however, that the Japanese people are permanently free of the dangers of aggressive totalitarianism. It would be delusive for them, as well as for ourselves, to assume that they are. A new totalitarianism could be induced in Japan either by Asian communism from the mainland or by regressive forces within Japanese society itself or by a strange alliance of both.

Under the occupation, this country did much to encourage the growth of free and peaceful institutions in Japan. The Japanese Peace Treaty, negotiated by the present Secretary of State under the previous administration, was an admirable attempt to consolidate those gains.

The occupation and the treaty on the whole were actions of an America which, with restraint and dignity sought to contribute to the development of a situation of mutual benefit to all in the Far East. Their effects will not easily be lost on the Japanese people. They will weigh heavily in the balance of the future of Japan.

Will they be sufficient, however, to tip the balance toward peace and progress in Japan? Do they offset the alternating attraction and fear engendered by Asian communism across the China Seas? Above all, are they adequate to allay the threat of hunger which hangs over the Japanese people?

It does little good to set a man free, if the door to elementary survival and development is shut in his face. And what is true of men is in many ways true of nations. That is the first reality which must be faced with respect to the Japanese situation.

Within Japan, measures can be taken which will go a long way toward dealing with this problem. I do not propose to catalog the ills that beset the Japanese economic structure and their remedies. That is hardly the function of the Government of the United States, let alone of the Senate. The Japanese know what the ills are; they have expounded at length in the public press and in the Diet on the inequities and inefficiencies which result from them.

The initiative, the leadership in correcting these ills must come from within Japan itself. This country cannot presume to supply it, nor can any other country. To attempt to do so would simply result, as it has elsewhere in Asia, in the expenditure of vast sums with little tangible accomplishment.

There are other aspects of the Japanese situation, however, with which in concert with other nations we must deal if there is to be peace in the Far East. To put the problem bluntly, the Japanese people must fish and trade abroad on a vast scale if they are to sustain themselves in a tolerable fashion. They have been able to do neither adequately since World War II.

Important fishing grounds off the North Asian coast have been closed to them by the policies of the Communist countries and Korea. Their trade with the Asian mainland, once a mainstay of their economy, has been reduced almost to insignificance. Their commercial relations with Southeast Asia and the rest of the world hardly begin to meet their needs.

In the past 10 years, the margin between survival and starvation for millions of Japanese has been provided largely by the United States. Billions of dollars have been made available in direct aid or by purchases in connection with the Korean conflict and defense requirements in the western Pacific.

Outlays of this kind are palliatives, not cures. A lasting solution to Japan's economic dilemma, as I mentioned before, depends in part on actions which can be taken only by the Japanese them-

selves. It also depends in part on the policies and attitudes of other nations, particularly those with a vital stake in the Far East.

I raised this question in my remarks in the Senate last August in these terms:

> Unless concerted steps are taken * * * where are the Japanese to turn for survival? There is no reason to assume that they will not turn away from the present alinement with the free nations. There is no reason to assume that they will not veer toward Communist China, toward the Soviet Union, or both.

To the best of my knowledge, concerted steps have not been taken. Is it any wonder, then, that the new Japanese government under Premier Hatoyama has come to office largely on a platform of "normalizing" relations with the Asian mainland?

If the Communist countries seek to weaken the ties which presently hold Japan to freedom, they are not without resources to achieve this objective. Trade inducements can be offered particularly with respect to the Soviet Maritime provinces, Manchuria and North China. There are fishing and other concessions which could be made in and around Sakhalin and the Kuriles. Rice, coal, and other resources can come from Northern Vietnam.

How shall we deal with the situation in Japan? With more crisis-foreign policy? With millions in new aid? By a competition of concessions with the Communist countries for Japan's favor? Our national interests have been obscured time and again by ill-conceived negative measures of that kind.

When I spoke on this subject last year there was still ample time to provide leadership to the free nations in developing common policies respecting Japan. Months have gone by, and little appears to have been done. We have drifted and drifted, only to find ourselves back once again at Yalta. The needle of the political compass apparently can direct us to no other point on the globe.

And while we are constantly beckoned backward in this manner, events have moved forward in the Far East. Japan is now on the verge of transcendent decisions which will move the balance in Asia toward peace or toward war. Other nations, including our own, cannot evade partial responsibility for the manner in which these decisions are made.

I do not know whether the Japanese will choose the path of peace. The foreign policies of this or any other country cannot force or bribe the Japanese into peace, the peace of free men. That is a decision which they themselves must make.

What we can do, what positive policies in the Far East will do, is to work to make possible a Japanese decision for peace. Such policies, if they are to be effective, must come to grips with two realities in the Far Eastern situation—the vital political and strategic position of Japan in the Western Pacific and the the serious economic plight of the Japanese people. There is still a third reality, and it, too, must be recognized: The bitter remembrances of peoples who were overrun by the Japanese militarists in World War II, and the fear and suspicions which these remembrances engender.

There are many tangible ways in which these realities of the Japanese situation can be translated into positive action for peace. Let me point out some of them, by way of illustration. These illustrations are in part incorporated into our official policy and in part they are not. In any event, it seems to me that a positive foreign policy on our part would seek to obtain the widest possible international agreement on these points:

First. Immediate admission of Japan to the United Nations.

Second. Territorial adjustments along Japan's borders.

Third. Japanese participation in any international conference for the general settlement of Far Eastern problems.

Fourth. Japanese access to fishing grounds open to them before the war, on a responsible and equitable basis.

Fifth. Encouragement of a regional investment pool in the Far East with full Japanese participation.

Sixth. Encouragement of the use of Japanese skills in the technical assistance programs of the Far East.

Seventh. Convening of a series of Far Eastern conferences to deal frankly and realistically with the related problems of Japanese reparations and freer trade within the region, and similar issues, the solution of which will make possible a self-supporting Japan in a self-supporting Asia.

These courses of action, as I pointed out, are illustrative only. I do not know if all or any of them are practicable at the moment. Only the executive branch which is responsible for the conduct of foreign policy is in a position to know that. I believe, however that action along the lines I have outlined is essential if we are to forestall a crisis in Japan and the crisis-foreign policy which will inevitably follow. Such action can help to create a situation in the Far East which will serve our national interests as well as the interests of Japan and other nations.

Mr. President, it is not our responsibility alone to act in the present situation. It is not Japan's alone. It is the common responsibility of all nations which really desire peace and progress in the Far East.

Mr. President, in connection with this speech I ask unanimous consent that a number of articles from newspapers, magazines, and periodicals of various kinds be printed in the RECORD at this point as a part of my remarks.

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

[From the New York Herald Tribune of March 25, 1955]

JAPAN PREMIER MAY ASK UNITED STATES TO RETURN OKINAWA

TOKYO, Friday, March 26.—Premier Ichiro Hatoyama told the Diet (Parliament) yesterday he favors negotiations with the United States for the early return of the big American air base island of Okinawa.

The United States has made clear, however, that it intends to stay on Okinawa—one of the key islands in the far Pacific defense ring—until conditions settle down in the Orient.

Mr. Hatoyama, facing questioning in the New Diet, said he also would like the negotiations to embrace the Bonin Islands, about 600 miles southeast of Japan.

CAPTURED IN WAR

American forces captured Okinawa and the Bonins in World War II.

The pro-American Liberals demanded to know whether Japan also will seek return of the Russian-held Kurile, Habomai and southern Sakhalin islands north of Japan. Mr. Hatoyama did not reply.

The Premier declared, however, that Japan's basic policy of friendship with the United States would not change, although he hopes to restore normal relations with Russia.

SOME RETURNED

The United States late in 1953 returned to Japan the Amami O Shima group in the Ryukyu Islands, of which Okinawa is a part.

At that time, Secretary of State John Foster Dulles announced that American possession of Okinawa and other strategic islands in the area will continue "for the foreseeable future."

Presumably, this would include the Bonins. They lie just to the north of Iwo Jima, an American base on the air route from Guam to Japan and Okinawa.

[From the New York Times of March 23, 1955]

FOREIGN AFFAIRS: THE CHINA TRADE AS SEEN THROUGH JAPANESE EYES

(By C. L. Sulzberger)

OSAKA, JAPAN, March 27.—Japanese policy shows definite signs of becoming both more nationalist and more neutralist. In other words, our influence is waning. Tokyo has already set about the business of trying to arrange its own relationships with the great Communist powers, Russia and China.

Such trends are natural a decade after the war. Communist propaganda has been harping upon the need to do away with American bases and to ban all nuclear weapons. This meets with some success as Japan develops a more independent mood. But the nation is not so likely to be influenced by patent slogans as by business considerations. For Japan, with its immensely crowded territory, its straitened postwar economy and heavy reliance upon shrinking American aid, feels it must develop new markets. The nearest at hand is across the narrow seas in China.

NATION RELIES ON TRADE

Already official attitudes toward Peiping are changing. Foreign Minister Shigemitsu told me in Tokyo: "Legally we have no relations with the Communist Chinese, but nevertheless we have to treat them as a force." He admitted that Peiping has been making private soundings on diplomatic recognition. This was implicitly acknowledged de facto by issuance of visas to a Peiping trade delegation as representatives of the Peoples Republic of China.

Bustling Osaka was the prewar manufacturing center of goods for China, Manchuria, and Korea. It hopes desperately that trade can be raised again from its present miserable level of 1 percent of Japanese foreign commerce. Steel industrialists point out they now must buy coking coal in West Virginia instead of Manchuria and sell girders in Buenos Aires, not Shanghai. So far, thanks to skillful budgeting and a checkrein on shipping costs, they manage to make do. But there is doubt whether this can continue. And, as virtually everybody tells you sooner or later Japan must export or die.

NO TARIFF CONCESSIONS

The economy of this island nation depends on imports for a fifth of its food and most raw materials, and relies on exports to pay for

them. Therefore, if supply sources and markets can be brought nearer, transportation costs would be cut. However, whether the answer can be found in Communist China is open to doubt.

For China today has been integrated economically into the Soviet bloc, with which it carries on three-fourths of its trade. There is not much surplus iron, for example, left over to ship to Japan. A Chinese textile industry now supplies the cloth that once was made in Osaka. And Peiping does not favor loosening the national belt just to help Japanese exports.

Nevertheless, Japan is desperately seeking markets. United States military purchases and expenditures here are diminishing. American tariff schedules have not been lowered in favor of Japan, as had been hoped. Sales in southeast Asia have proven disappointing because of money shortage there since tin and rubber prices fell. Therefore, the pressure mounts to expand trade with Peiping under almost any conditions. This is true despite realization that both the United States and its protégé, Formosa, look with disfavor upon such ideas.

JAPAN'S NEED IS GREATER

Businessmen have no reluctance in explaining the position. Kippei Hara, president of the Nichibo Textile Co., says: "Right now we are forced to depend too much on the United States. We cannot expect your aid to last forever. We have to regain our economic independence. To do this we cannot disregard the opportunities presented by 600 million Chinese. If the United States insists on trying to curb us you will only invite criticism. People will say you are trying to keep us within America's orbit. Trade with China probably won't amount to much, but we need anything we can find. The sooner it starts the better. Perhaps if we develop our commerce with Red China we can draw it nearer to the free world. The policy of freezing China out merely drives it back on Russia. You should pay more attention to Aesop's fable which demonstrated that the sun's warmth was able to force a man to take off his coat when the wind's power failed to do so."

Business forces as well as political pressures are working on the Hatoyama government to develop China trade. Peiping knows this and obviously is going to demand a pretty stiff price. Japan needs this commerce more than China. Unless the United States displays considerable wisdom and restraint the resulting situation may develop some difficult diplomatic moments. It is clearly inevitable that this highly industrialized nation is going to try to regain some of its lost markets in nearby China, regardless of political pressures. The eventual trade will probably prove disappointingly small to the Japanese. But they still hope they can get back into the China market before what is left of it has been gobbled by the Soviet bloc.

[From the Economist of March 5, 1955]

JAPAN: NATIONALIST AND NEUTRALIST

The Japanese are once again making their own way in the world, and the general election last weekend carried some useful indications of the direction they will take. Although the results caused no great surprise, that does not diminish their importance. For they mark a definite break with the long period of Liberal Party rule, which had been tarred with the brush of the occupation. The simplest verdict about the results is also the truest. The Japanese will become more Japanese. They will, that is to say, henceforward be at once more nationalist and more neutralist in their attitude to other nations. While remaining governed by an essentially conservative government, they will throw off the mantle of American influence and seek to make fresh terms with the Communist powers. And yet, in that their new policy will above all assert the national character of Japan, it will by no means be simply pro-Communist.

Mr. Hatoyama, the leader of the Democrats, has been confirmed in office insofar as his party has captured the lead with 185 seats (last parliament, 124) to the 112 (180) of the Liberals, from whom he broke away at the time of Mr. Yoshida's resignation. The next largest are the left-wing Socialists with 89 seats (last time 74) and the right-wing Socialists with 67 (61), making, if they combine, a bloc of 156. The Communists won only 2 seats, compared with 1 before; and there remain 10 seats among miscellaneous smaller parties, of both left and right. The interesting features of these results are that the Democrats have done about what was expected, the Liberals and Communists worse, and both groups of Socialists better.

The main deductions are, first, that Mr. Hatoyama will probably form a minority government, consisting of his own party alone and yet relying in the first instance on the support of the Liberals on major issues, though without their participation in the cabinet. Secondly, the Socialists are between them just strong enough, assuming other left-wing support and no defection to government ranks from their own right wing, to block the two-thirds majority that would be necessary to amend the constitution and introduce more outright rearmament; this can and will be regarded in Moscow as the achievement of a cardinal aim. Thirdly, although direct constitutional Communist influence on Japan's internal affairs is still negligible, the left-wing Socialists are in a stronger position than they were. Moreover, Moscow's influence with them has never been greater, and it is a key element in present Soviet tactics to keep Communist Parties in the background while building up broadly based anti-American popular fronts.

Under these new colors, what will Japan do? And what should Britain's attitude be? All observers agree that Mr. Hatoyama has won the elections largely on his avowed policy of seeking a fresh modus vivendi with the Communist rulers in Moscow and Peking. It is now clear that he favored a more emphatic move in this direction than his foreign minister in the outgoing caretaker government, Mr. Shigemitsu. And it must therefore be assumed that, if he is in fact the new prime minister, he will begin by concluding peace treaties with the Russians and with the Chinese Communists at the earliest practicable moment. There are, however, several snags. The most obvious is that Mr. Hatoyama, engaging and effective in the brief spurt of the last few months, is nevertheless old and far from well, and he might not be able to sustain the burden of premiership for long. If his health failed, the Democrat party could fall under less characterful leadership and it might well split. In that event, a new coalition based on the inclusion of the Liberals under Mr. Ogata—who has stepped into Mr. Yoshida's shoes—might be expected to pursue a somewhat more pro-American line.

Other question marks are raised by Japan's claims against Russia and its quasi-recognition of Formosa. It would be wrong, however, to expect either difficulty to do more than delay closer relations with Moscow and Peking. When Mr. Hatoyama let it be known that he would welcome a fresh approach from the Russians, Mr. Molotov had the head of the unofficial Soviet mission in Tokyo, Mr. Domnitsky, write to and ring up the Japanese foreign ministry straightaway. So pressing, in fact, were Mr. Domnitsky's messages and phone calls, that Tokyo sought and obtained independent confirmation from Moscow that he really represented the Kremlin's view. As things stand, the Russians have now accepted the Japanese demand that actual negotiations should take place on neutral ground at the United Nations in New York, and one of the first acts of a new government in Tokyo is bound to be to get these talks rolling. Japanese terms, despite demands which include the return both of the remaining prisoners of war and of the islands of Shikotan and Habomai, are not likely to be too stiff to make agreement possible. A major feature of the new Sino-Soviet policy, drawn up during the visit to Peking last October of Mr. Khrushchev and Marshal Bulganin, has been to win the friendship of the Japanese at almost any cost, and it may be assumed that this will certainly be implemented.

Moscow is in fact batting on a good wicket in Japan. This was clearly visible during the electoral campaign, in spite of the relative failure of the Communists to produce any fireworks of their own. The Russians have two lines which they are at present plugging on a worldwide basis but which have a particular appeal to the Japanese. One is to abolish foreign bases and the other to ban atomic and thermo-nuclear weapons. Both are aimed exclusively and specifically at destroying American power, and both find a ready echo among many Japanese, who naturally resent the continued presense of foreign servicemen, while also associating them with a multiplicity of memories and fears about the A-bomb and the H-bomb. Nor should too much be read into the Communist electoral failure itself. Although the party put up 99 candidates and got only 2 elected, its policy was to avoid splitting the anticonservative vote. It therefore withdrew candidates where Socialist prospects were good, and, with 100,000 members and 300,000 sympathisers, threw its weight into the left-wing Socialist scale.

Even more important than Moscow to the Japanese is Peking; and in regard to China Mr. Hatoyama can be expected to have the added incentive of trade. While many Japanese feel that the time has come to regularize their political relations with the new giant who has appeared on their doorstep, still more believe that the precarious Japanese economy can never become less dependent on American goodwill until Japan rebuilds at least some of its prewar trade with the mainland. And, in those terms, Japanese trade with China is still very small, partly because of allied controls on strategic goods but mainly because China's own political line demands a greater concentration of trade within the Communist bloc. But at the end of last year Chinese-Japanese trade was picking up fast, and, given a Communist determination to make economic sacrifies for the political object of tightening ties with Japan, there is undoubtedly scope for a good deal more trade, even within the limits of the present strategic embargoes.

Signing a peace treaty with Communist China means recognizing the Peking government. And it is here that Japan's new policy is bound to move into deeper water, since this implies both modifying the present relationship with Formosa and taking a line which would raise a good many eyebrows in Washington, particularly at the present moment; although Mr. Dulles did not quite succeed in making it a condition of the peace treaty of 1951 that Japan should recognize the Chiang Kai-shek regime as the government of China, he did secure diplomatic relations between Tokyo and Taipeh, with their precise status somewhat ill-defined. If Mr. Hatoyama now wants to get on closer terms with Peking, he can hardly expect Mr. Chou En-lai to accept his existing relationship with Formosa.

From Britain's point of view, there is no overriding reason why Japan should not take the course which Mr. Hatoyama is charting. Indeed, until more normal relations are established between the powers of the area, there can be no prospect even of a makeshift settlement in the Far East. And there is

certainly no greater possibility of keeping the Japanese indefinitely in a position of artificial inferiority than there is of keeping the Germans. But Japan has had the inestimable benefit, compared with Germany, of not being divided during the occupation; of not suffering directly from purely cynical Communist tactics; and of receiving the maximum help that the United States has been able to give, economically, technically, and politically. It would be a disaster to the cause of the free world if the Japanese were not to understand in time the definite limits they should set on their rapprochement with the Communist powers. At the elections the Japanese people have rejected Communism as such. They should never forget that, in the eyes of the ruthless men in Moscow and Peking, their country represents the fattest prize in Asia.

[From the New York Times of January 29, 1955]

SOVIET OFFERS JAPAN END TO STATE OF WAR

TOKYO, Saturday, January 29.—Moscow has made overtures to the Japanese Government for ending the state of war between the two countries.

A note said to be from Vyacheslav M. Molotov, Soviet Foreign Minister, to Japanese Premier Ichiro Hatoyama, delivered Tuesday by the head of the unofficial Soviet mission here, is understood to have touched on territorial and other issues that Tokyo has raised in connection with a peace settlement. These include title to the Habomai and Shikotan Islands off the northernmost main Japanese island of Hokkaido. The Soviet has occupied these outposts since the end of World War II.

A Foreign Ministry official said the note as received in English translation was undated and unsigned. As such, he said, it could not be considered the type of formal approach from Moscow desired by the Foreign Ministry.

The return of thousands of Japanese nationals believed to be detained in the Soviet Union is another question connected with a possible peace treaty. The Soviet was said to have stated its views on all outstanding problems between Moscow and Tokyo, but details were withheld by both Soviet and Japanese sources.

The delivery of the Soviet note by A. I. Domnitsky, chief of the unrecognized mission here, appeared to some to fulfill a condition laid down by Japanese Foreign Minister Mamoru Shigemitsu that the initiative in treaty negotiations should come from Moscow. Mr. Shigemitsu insisted that the Soviet should make the first move because the Soviet had declared war on Japan in 1945. He also contended that the formal state of war continued to exist only because the Soviet Union had refused to sign the San Francisco Treaty.

Premier Hatoyama has expressed eagerness recently to conclude a treaty with the only great power still formally at war with Japan. To this end he received the chief of the Soviet mission, which has been unrecognized officially by the Japanese Government since the end of the Allied occupation in May 1952.

Some significance was attached to the fact that the Soviet communication was delivered within a few days of Moscow's announcement that it had formally terminated the state of war with both East and West Germany. It is understood that the Soviet note to Mr. Hatoyama was received by the Soviet mission December 27, but that its delivery to the Premier was delayed until this week by the refusal of the Foreign Office to receive the unrecognized Soviet representative.

Mr. Domnitsky was quoted by the Japanese Kyodo News Service this morning as having said in an interview that Moscow made peace overtures to Tokyo "with full recognition of Japan's basic leanings toward the United States."

United States Ambassador John M. Allison declined comment this morning on the Soviet note.

Japanese officials, in appraising the overtures, appeared to be actuated by two conflicting drives. One is the desire to turn "normalization" of Japan's relations with the Soviet—and also Communist China—into an appalling gambit in the elections February 27. The other is the problem of facing the hard actualities of Japan's dependence on United States for both defense and economic support for a considerable time to come.

[From the New York Times of December 28, 1954]

HATOYAMA FAVORS AMITY WITH SOVIET—CALLS FOR JAPAN-RED CHINA TIE TOO TO END DISLIKE OF UNITED STATES

(By Robert Trumbull)

TOKYO, Tuesday, December 28.—Closer relations between Japan and the Communist Governments of the Soviet Union and China will tend to reduce the present unfriendliness of the Japanese people toward the United States, Premier Ichiro Hatoyama declared today.

The Premier said the adverse feeling toward the United States stemmed from popular suspicion that the previous Yoshida Government was tied blindly to Washington policy. He expressed the belief that establishment of normal trade and other contacts with the Communists would remove this misconception.

Yesterday, Communist China extended an invitation to Japanese fishing experts to visit Peiping. The offer was accepted.

Mr. Hatoyama asserted that the steps contemplated by his government toward rapprochement with the Communists in commerce and other areas need not imply diplomatic recognition of Red China. That, he said, is something "for the future."

Mr. Hatoyama stressed the economic benefit of trade with Communist China in Japan's present weakened financial state. He said the Japanese Ambassador to Nationalist China, Kenkichi Yoshizawa, had assured him only this morning that he expected no reduction in Japan's lucrative commerce with Formosa as a result of dealings with the Reds. Mr. Yoshizawa returned from the Chinese Nationalist capital last week.

The Premier also emphasized Japan's determination to rearm for self-defense. He said this could be done within the framework of the present constitution, which forbids Japan to acquire the potential for aggressive war.

He asserted that no steps to change the constitution were contemplated before the March elections. He said he did not believe alteration was necessary except to "clarify the working" of the antiarmament clause. Mr. Hatoyama added, however, that he was unable to forecast the ultimate strength of the Japanese forces, nor when these might relieve the United States of responsibility for defending Japan.

"Japan is poor and it will take time, but eventually we want our own forces," he said.

[From the New York Times of December 28, 1954]

JAPAN GETS PEIPING BID—INVITATION TO FISHERIES PARLEY, PART OF AMITY DRIVE, ACCEPTED

TOKYO, December 27.—Communist China stepped up its campaign for Japanese friendship today with an invitation to fishing experts to visit Peiping.

Japanese fishing interests accepted the invitation within a few hours. The industry group, interested in reaching agreement with the Communists on mutual problems, announced that a 14-man delegation would depart for Red China's capital January 8.

It was presumed here the fishing experts would experience little or no difficulty in getting permission from the Government to make the journey to the mainland. The new conservative regime of Premier Ichiro Hatoyama has announced its intention of relaxing barriers against travel in connection with its pledge to obtain more normal relations with Communist-ruled nations.

The invitation and its prompt acceptance represented the fruition of a seed planted by Red Chinese leaders more than 3 months ago during a visit of Japanese legislators to Peiping. The Chinese suggested that they would welcome a visit by fishing experts and that they would like to send their own commercial delegation to Japan to discuss increasing trade.

The Chinese suggestion was transmitted to the Japanese fishing industry by Socialist legislators. A civilian group called the Japan-China Fishery Council, established to promote the settlement of differences arising over fisheries problems, took it up.

The Japanese interest in reaching a working agreement with Red Chinese authorities on fishing problems is prompted to a large extent by the desire to end seizure of Japan's fishing boats in the China Sea by Red China's patrol vessels. When the fishery council was established, it listed this problem as the foremost difficulty to be ironed out with the Chinese.

The second matter the Japanese industry has indicated it wanted settled in Peiping is fishing areas. It would like to establish mutually agreed zones where the fishing fleets of both nations could safely work, and perhaps areas that could be exploited jointly.

Despite their eagerness to reach an amicable settlement with the Chinese Communists on fisheries problems, some Japanese in the industry are worried that such an agreement might bring new complications. Japanese fleets operate extensively in and around Formosan waters, and there is a belief an agreement might generate ill feeling among the Chinese Nationalists.

NEW SOVIET FEELER REPORTED

TOKYO, Tuesday, December 28.—Japan's two Socialist Parties united yesterday in a common platform calling for diplomatic relations with Red China and the Soviet Union and opposing rearmament through American aid.

Foreign Office sources said Moscow had sent a feeler on the possibility of renewing diplomatic relations to Japan's Ambassador to Paris, Kumao Nishimura. These sources said the feeler had been sent through Stanislaw Gaiweski, Polish Ambassador to Paris.

[From the New York Times of January 5, 1955]

HATOYAMA DRAFTS PLAN FOR RED TIES—SEEKS TO NORMALIZE JAPAN'S LINKS TO SOVIET BLOC BY FIRST PROMOTING TRADE

(By Robert Trumbull)

TOKYO, January 4.—Premier Ichiro Hatoyama outlined today a series of steps to develop closer relations between Japan and the Soviet Union and Red China.

The conservative Premier took sharp issue with the view that normal relations with Communist countries would tend to promote communism in Japan.

He added that Japan's defense forces were strong enough to suppress a revolution by force of the Communist Party. While the Japanese Communist Party is not illegal, almost all its leaders have gone underground since the beginning of the Korean war.

The Premier declared that the normalizing of Japan's relations with the Soviet Union and Red China should proceed through several stages.

"What is needed first of all is to promote trade and traffic," he said. "First, restrictions on traveling will have to be relaxed."

The next step he recommended was removal of the ban on selling certain strategic goods to Communist countries. The exchange of economic missions would follow, he said. He proposed further that Japan form internal trade organizations to promote the exchange of products with the Communist countries.

He said Shozo Murata, chairman of the recently created International Trade Society and an influential figure in Japanese financial circles, would go to Red China soon to discuss these matters with Communist Chinese officials.

"I am of the opinion that to normalize our country's relations with Communist China and the Soviet Union is the way that will lead to world peace," the Premier commented.

Mr. Hatoyama made his statement as he left by train for the Shinto Grand Shrine at Ise. According to custom, every Premier of Japan must make obeisance at the Grand Shrine after his election. The Premier himself is a Christian.

The Premier's thoughts were on more worldly matters as he left with his Agriculture Minister, Ichiro Kono. For one thing, he was thinking about introducing a program resembling the Soviet Stakhanovite system to improve Japan's industrial and farm output.

Premier Hatoyama was optimistic that Washington would give a favorable hearing to Japan's plea to reduce the assessment on Tokyo for partial upkeep of United States troops maintained here to defend these islands in the absence of adequate Japanese forces. Tokyo would like to cut the amount, which is expected to come to $150 million this year, by nearly one-third. Tokyo proposes then to spend more on its own armed forces to replace the Americans eventually.

This is being discussed here this week in conversations between Finance Minister Hisato Ichimada and Adm. Arthur W. Radford, Chairman of the United States Joint Chiefs of Staff.

MUTUAL BENEFITS CITED

"To reduce Japan's share of the joint defense cost will result in strengthening our defense forces," the Premier said. "This will prove to be a mutual benefit to Japan and the United States, so I do not see any reason why the United States will oppose it."

But Admiral Radford has stated that he will merely report the Japanese views to Washington. Uncertainty over the Hatoyama government's survival in the forthcoming elections has left doubts here that Washington will act on this matter until the political situation clears.

Mr. Hatoyama said he expected his Democratic Party to win 230 seats in the lower house. This would nearly double its present strength of 122, but would still leave the Hatoyama group without an absolute majority in the 467-member Diet.

The Premier said that after the elections, which are to be in February or March, he would like to undertake a bipartisan approach in diplomacy as well as internal problems through parliamentary committees.

[From the Economist of December 18, 1955]

THE LURE OF COMMUNIST CHINA

Shortly before he became Prime Minister, Mr. Ichiro Hatoyama denounced the "weak pro-American policies of Mr. Yoshida," and—while piously, doubtless truthfully and therefore more dangerously disavowing pro-Communist sympathies—called for increased trade with Communist China and Soviet Russia. With a straight face, he also blamed Mr. Yoshida for preventing the resumption of closer Asian relations at Washington's behest. But about the same time Yoshida approved the visit to Peking on a trade mission of Mr. Shozo Murata, former Cabinet Minister, former president of the Osaka Shosen Kaisha and now president of the Association for the Promotion of International Trade. Mr. Murata has been urging "peaceful coexistence between Japan and China" with no involvement in the possibilities of coexistence between the United States and the Soviet Union. It is perhaps necessary to repeat the APIT is nonpolitical and includes conservatives, businessmen and industrialists who abominate the Japanese Socialists but made common cause with them on this issue.

In making these moves, the two rivals, Mr. Hatoyama and Mr. Yoshida, were reasoning with the current of Japanese opinion. Almost overnight, pro-Chinese sentiment has become respectable, democratic, honorable and by some curious Oriental deviousness, loyally, logically and commendably fellow-Asian. (The references, incidentally, are almost invariably to "China," not to "Communist China"; but this may not be Japanese ambivalence so much as Japanese conviction that there is only one China and that the Formosan garrison is important solely because of its political associations with the unpredictable westerners in Washington.) The most significant and disturbing implication of this swift response by the Japanese—rightists and leftists alike—to Peking's first belated gestures of friendship is the supreme and universal indifference to the possible effects of Japan's pro-China sentiment on Washington's pro-Japan sentiment.

NO BEGGARS OR FLIES

For the record, it is instructive to embalm these carefully translated, but internationally ignored, comments by members of the all-party Diet mission which recently made a 1-month visit to China on the heels of the earnest British Socialists:

Mosaburo Suzuki (chairman of the Left-wing Socialists): The people of China want to live in peace not only with Japan but with all countries, even the United States. Chou En-lai repeatedly said during talks that the Japanese people are "brave, hard-working, and very intelligent." I personally think that his statement was not a mere compliment, but an expression of his ardent desire to maintain perpetual peace and good relations with Japan. He knows too well that it would not be advantageous to China to have Japan and its people as enemies. I therefore would like to propose that we restore relations to normal at the earliest possible date, open diplomatic channels between the two countries, and endeavor together to join the United Nations.

Kikutchiro Yamaguchi (executive of Mr. Yoshida's Liberal Party, former secretary-general): Communist China is ruled by a strict belief in Mao Tse-tung and the leaders of the Communist Party, and their forceful politics were necessary to reconstruct the corruption-ridden politics of so many past centuries. It was very impressive that that great leader of China should have established such a powerful government after 30 years of struggle and betrayal of the people. Chou En-lai made much of me. I was impressed by the complete success of the revolution. * * * There is no reason to be anxious about a possible assault on Formosa, because continental China would be the very country to suffer the severest damage in a war. Through peace, on the other hand, she could establish such a powerful political system as would continue for more than 200 years.

Prof. Michitako Kaino, Toritsu University, Tokyo: There seems to be little doubt that the Chinese are now satisfied with the fact that they can read and learn letters, eat meat, be clad in new suits and enjoy drama and the movies; that they are given, or at least have better access to, dwelling houses; that any of them, if possessed with ability, can obtain a college education with no discrimination and without spending even a cent; that, even though their source of knowledge is one-sided, they have come to acquire a certain amount of knowledge on world affairs. There is no doubt that their future is filled with hope.

Tomoji Abe, leading Japanese novelist and critic: While it is true that writers and artists are requested to "cooperate" with the projects of establishing a new Socialist state, so far as I could see, there was no deliberate oppression of thought and speech in China. The ideal for "tomorrow's literature" in China was enunciated by Mao Tse-tung in the late forties at the Symposium of Literature in Yenan, which has as its basis: (1) To help make people happier; (2) to be realistic in artistic activities.

Ichiro Aoyagi (Liberal Party member): China is seeking friendly relations more than anything else. There are no beggars or flies. Japan must abolish passport restrictions to promote intercourse between Japan and China.

Kumaichi Yamamoto (secretary-general of the Association for the Promotion of International Trade—nonpolitical and Osaka-backed): The first thing Japan should do is to formulate and pursue an autonomous economic policy. * * * As is well known, continental China has tried positively to increase her trade with Japan, allowed the entry of Japanese trade representatives, permitted them to make inspection tours and even consented to enter into trade agreements. * * * After the lifting of restrictions on the freedom of visiting each other's countries, there should be a Japanese removal of the COCOM embargo list on exports to China.

This surely represents a rewarding harvest for Peking from the first sprinkling of Red propaganda seed on the naively impressionable Japanese soil.

Behind this strong and growing move for Japanese rapprochement with Communist China, the West would be wise to discern not only natural trade and racial impulses, but fundamentally a basic popular urge for apparent independence in international affairs—all the more popular, subconsciously, if it runs counter to the intentions and hopes of the benevolent but now irritating help of the United States.

[From the Economist of February 5, 1955]

BIDDING FOR JAPAN

The Communist propaganda offensive in Japan goes on apace. In the middle of January the caretaker Japanese Foreign Minister, Mr. Shigemitsu, gave the Soviet Union the cue by saying that the initiative for ending the state of war must come from the Russians. Although Mr. Shigemitsu reemphasized that, in any peace treaty with the Communist bloc, Japan would lay strong claim to the return of the Kurile Islands and other former Japanese territories, no one in Tokyo expects to hold out for more than a partial restoration, notably Habomai and Shikoran; other Japanese conditions are reported to be the release of all so-called war criminals, Russian support for Japan's entry into Uno, and unrestricted trade. In reply, it has just been revealed, Moscow sent a message to Tokyo on January 25 declaring that normalization of relations would not be out of place.

Mr. Shigemitsu has again repeated that alliance with the United States remains the basis of Japanese policy; and there seems little likelihood that any immediate recognition of Communist China is contemplated. Nor has Tokyo apparently yet decided what line it will take at the Afro-Asian Conference, to which Japan has been invited and at which it could act as a counterweight to Communist China. But the growing Japanese desire to run with the hare and hunt with the hounds is already being exploited to the full by both Peking and Moscow. There has been a spate of new suggestions for cultural and other kindred exchanges in 1955.

The Chinese in particular are sending writers, painters, musicians, actors, playwrights, a circus, teams for basketball, swimming and table tennis, films on land reform and on the emancipation of women, a fine arts exhibition, and even an exchange zoological troupe which would swap Siberian wolves and Bactrian camels for Japanese monkeys and long-tailed cocks.

The Communists are playing a dangerously promising game with Japan's two Socialist parties. Split into left and right factions after the war, these are now to fight the elections this spring in alliance, and the Communist radio station Free Japan is urging a merger after the elections are over. The basis of it would be a common policy of friendship with the Soviet Union and China. Some blame for these developments certainly lies on the leadership of the British Labour party. The party is widely respected in Japan and Mr. Attlee should never have let Mr. Bevan steal the show with his anti-American talk in Tokyo last year.

[From the London Times of December 14, 1954]

MORE AUSTERITY IN TOKYO—ELECTION SHADOWS

TOKYO, December 13.—It is natural that the Hatoyama government's policy should reflect the influence of the forthcoming elections; some of its first decisions certainly have a faintly demogogic flavor.

In accordance with the promised clean-up of political life, the Cabinet has decreed certain austerity measures. The Prime Minister will in future have only 1 official residence instead of 2; ministers will not have any; ministers' police protection is reduced; and officials are forbidden to play golf and mahjong with businessmen. It has been the practice hitherto for business leaders lavishly to entertain government officials, especially those from the Ministries of International Trade and Agriculture, over golf and mahjong. A sharp drop is reported this weekend in the number of officials visiting the popular Kawana golf course near Tokyo.

The appointment of Mr. Eikichi Araki as governor of the Bank of Japan has been inspired by sounder motives. He was the first Ambassador to Washington after the war and held the governorship in 1945 before being purged. He has declared that he will uphold the retrenchment policies of his predecessor, Mr. Ichimada, now Finance Minister. Mr. Ichimada is expected to pursue a policy of deflation, but with more discrimination than it was applied under Mr. Yoshida to avoid driving more businesses to bankruptcy through a too rigid money policy. Mr. Hatoyama has also announced that he will present a preliminary budget for 1955 before the dissolution of the Diet, in accordance with the wishes of financial leaders; it is expected to remain within the compass of the current budget.

TRADE WITH COMMUNISTS

Outlining the Government's more realistic foreign policy, Mr. Hatoyama said that the refusal of intercourse with the Communist nations by perpetually shunning them as enemies of the free nations would eventually lead to a world war; the promotion of trade and traffic was the way to reconciliation. Mr. Shigemitsu, the Foreign Minister, has added that the Government will promote trade with all nations within the limits of existing agreements, but has not yet indicated how. It is expected that there will be some relaxation in the granting of travel permits to China and efforts may be made to ease other restictions against China, but there is no likelihood of official relations being placed on a normal footing. Mr. Shigemitsu has also mentioned the Government's desire to revise the Mutual Security Agency agreement with the United States on a really reciprocal basis. It is also hinted at the Foreign Ministry that there will be a revision of Mr. Yoshida's bending-over-backward-for-America policy.

[From the London Times of January 12, 1955]

RELATIONS IN FAR EAST—TOKYO'S CALL FOR PEACE INITIATIVE

TOKYO, January 11.—There has been much wishful thinking by the Hatoyama government about relations with Russia and China, and the possibilities of peace settlements with them. Speaking at Osaka today, the Prime Minister declared that Japan should take the initiative in calling on Russia and China to end the state of war and resume normal relations, and Mr. Shigemitsu, the Foreign Minister, said last week that the Government is studying steps to that end.

Although such a possibility exists in the case of Russia, Mr. Hatoyama is guilty of excessive optimism in saying it could be expected before the elections in March. Russia has been quick to seize the propaganda advantage from the overtures by the Japanese Government, and Mr. Molotov recently indicated that the San Francisco and mutual-security treaties did not hinder the restoration of diplomatic relations between Japan and Russia. The Japanese Government has pointed out that the settlements are dependent on the recognition of Japan's territorial claims, without clearly specifying them, on the release of Japanese nationals still held in Russia, and on a solution of the fisheries question.

CLAIM TO KURILES

Territorial questions are most likely to be a stumblingblock. The Japanese are not reconciled to the annexation of the Kurile Islands by Russia, and urge the return of the archipelagos whenever they are discussed.

Recently there has been a greater emphasis, in official and unofficial statements, on the return of the Habomai and Shikotan Islands off Hakkaido, probably as it was realized that there was not the slightest hope that Russia would abandon the Kuriles. Japanese renunciation of the Kuriles is expressly stated in article II of the San Francisco treaty, and Russia is still able to negotiate with Japan a bilateral treaty on the same terms in accordance with article XXVI until 3 years have elapsed after its enforcement.

It is conceivable that Russia might, as a propaganda gesture, return Habomai, which is clearly part of Hakkaido and not the Kuriles, and which was unilaterally annexed after the war. Habomai was a rich crab fishery before the war, and Japanese fishermen cannot fish there without coming within 12 miles of the Russian coastal limit, and ships are continually being seized. Certainly the Japanese Government could not face any election without a loss of votes if a peace treaty was negotiated with Russia which did not stimulate the return of Habomai.

Hopes of a settlement with China are inconceivable within the framework of Japan's existing obligations, to quote Mr. Shigemitsu's words. Peking, it is clearly stated, has no intention of restoring diplomatic relations with any country which recognizes Formosa, and no Japanese Government is able to prejudice vital relations with the United States by any renunciation of its recognition of Formosa. An increasing realization of this is induced by a shift of emphasis in government statements recently to expanded trade and communications with China.

It is natural for any Japanese Government to make a show of independence in foreign policy at this stage, but the basic fact of Japan's dependence on the United States has not changed.

Mr. MANSFIELD. I yield the floor.

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

The PRESIDING OFFICER (Mr. THURMOND in the chair). Without objection, it is so ordered.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the Senate will proceed to the call of the calendar. The clerk will state the first measure on the calendar.

AMENDMENT OF RULE XXV OF THE STANDING RULES OF THE SENATE

The resolution (S. Res. 17) to amend rule XXV of the standing rules of the Senate was announced as first in order.

Mr. BIBLE. Mr. President, I ask that the resolution be passed over.

The PRESIDING OFFICER. The resolution will be passed over.

REMOVAL OF REQUIREMENT FOR FINAL PHYSICAL EXAMINATION FOR INDUCTEES

The bill (S. 802) to amend the Universal Military Training and Service Act, as amended, to remove the requirement for a final physical examination for inductees who continue on active duty in another status in the Armed Forces was announced as next in order.

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

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

Mr. PURTELL. Mr. President, I offer an amendment to the bill.

Mr. BIBLE. Mr. President, I have consulted with the Senator from Mississippi [Mr. STENNIS] with reference to the proposed amendment. The amendment is agreeable to him. I have no objection to it.

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

The LEGISLATIVE CLERK. On page 1, beginning in line 9, it is proposed to strike out "without substantial interruption", and insert "without an interruption of more than 72 hours."

Mr. PURTELL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the amendment I have offered.

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

MEMORANDUM IN EXPLANATION OF AMENDMENT TO S. 802 (CALENDAR NO. 46)

The purpose of this bill is to eliminate the necessity for a final-type physical examination for inductees who, upon completion of their inducted service, continue without interruption on active duty, either by enlistment in a Regular component, or as a member of a Reserve component on extended active service.

As reported from committee, the bill provides, in order to eliminate the requirement

of a mandatory physical examination, that the inductee must continue on active duty "without substantial interruption."

Because the word "substantial" is susceptible of varying interpretations, it is felt more desirable to fix a definite maximum period during which there is interruption from active duty. It is understood that the Defense Establishment considers administratively workable a provision that would permit such an interruption of not to exceed 72 hours.

Accordingly, the amendment substitutes for "substantial" interruption a definite maximum interruption of 72 hours from service on active duty.

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by the Senator from Mississippi [Mr. STENNIS] concerning the bill.

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

STATEMENT BY SENATOR STENNIS

REMOVING THE REQUIREMENT FOR A FINAL PHYSICAL EXAMINATION FOR INDUCTEES WHO CONTINUE ON ACTIVE DUTY IN ANOTHER STATUS IN THE ARMED FORCES

The purpose of this bill is to eliminate the necessity for a final physical examination for draftees to continue on active service without interruption upon the completion of their inducted service. Under existing law all individuals inducted into the Armed Forces must be given an examination at the beginning and at the completion of their military service.

This bill, in eliminating the necessity for the examination, fully protects the individual by providing that the serviceman may request or the military authorities in their discretion may give the man a physical examination.

It is significant to note the group of inductees that this bill will affect. For the past several years there have been about 15,000 men each year in the Army who, after they have completed about 3 months of inducted service, have asked to be discharged in order to enlist without interruption for at least a 3-year term in the Regular Army. This change in type of service is advantageous to both the individual and the Army. The individual receives the reenlistment bonus and also a choice of training at technical schools by virtue of his enlistment for the longer term. The Army on the other hand can train this man and retain his services for a longer period. From the practical standpoint, however, this bill removes the necessity of a physical examination for the short-term draftees and at the same time all of the serviceman's rights are fully protected. It is estimated that the Government will save about $80,000 a year as a result of this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. PURTELL].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second sentence of subsection 9 (a) of the Universal Military Training and Service Act (62 Stat. 614), as amended, is amended by changing the final period to a colon and adding at the end thereof the following proviso: *"Provided further*, That, if upon completion of training and service under this title, such person continues on active duty without an interruption of more than 72 hours as a member of the Armed Forces of the United States, a physical examination upon completion of such training and service shall not be required unless it is requested by such person, or the medical authorities of the Armed Force concerned determine that the physical examination is warranted.".

PROVISION FOR ADVANCE PAYMENTS OF CERTAIN PAY AND ALLOWANCES OF MEMBERS OF THE UNIFORMED SERVICES

The bill (S. 804) to amend sec. 201 (e) of the Career Compensation Act of 1949, as amended, to provide for advance payments of certain pay and allowances of members of the uniformed services, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Career Compensation Act of 1949, as amended, is further amended by adding at the end of subsection 201 (e) the following provision: "Any pay and allowances authorized by this act which will lawfully accrue to members for their return home incident to release from active duty or training duty may be paid to such members prior to their departure from their last duty station incident to such release, without regard to the actual performance of such travel."

ADMINISTRATION OF CERTAIN NATIONAL FOREST LANDS BY THE SECRETARY OF AGRICULTURE

The bill (S. 72) to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands was announced as next in order.

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

Mr. PURTELL. Mr. President, I wonder whether the Senate could be informed of the attitude of the Department of the Interior on the bill.

Mr. SCHOEPPEL. I have just received information, forwarded to me by the staff of the Committee on Agriculture and Forestry, that the Department of the Interior submitted a favorable report on the bill under date of March 22.

Mr. PURTELL. I have no objection to the bill.

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

There being no objection, the bill (S. 72) to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That those certain lands situated within the boundaries of the Lincoln National Forest, New Mexico, which were conveyed to the United States by the State of New Mexico by deeds dated December 3, 1951, and recorded in book 142 at pages 547 to 556, inclusive, records of Otero County, N. Mex., in exchange for lands of the United States pursuant to the Act of June 28, 1934 (48 Stat. 1269; 43 U. S. C. 315g), as amended, are hereby made parts of said Lincoln National Forest and hereafter shall be subject to all laws, rules, and regulations applicable to that national forest.

Mr. ELLENDER subsequently said: Mr. President, during my absence Calendar No. 48, S. 72, was passed. I should like to have printed in the RECORD at the appropriate point an explanation of the bill and a copy of a report I received from the Secretary of the Interior, showing that the Department of the Interior is in favor of the bill.

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

EXPLANATION OF S. 72

This bill provides that certain lands heretofore acquired by the United States from New Mexico be included in the Lincoln National Forest. Acquisition of these lands was initiated under an act of June 15, 1926, which provided that they would become a part of the national forest, but was completed under the Taylor Grazing Act for reasons set out in the Department's letter included in the committee report. Because acquisition was completed under the Taylor Grazing Act, legislation is now necessary to carry out the congressional intent to make these lands part of the national forest.

The additional facts that these lands support mainly merchantable timber, have important watershed value, are intermingled with national forest lands, and are distant from administrative facilities of the Department of the Interior, make it advisable that these lands be administered by the Department of Agriculture as national forest lands.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., March 23, 1955.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate, Washington, D. C.

MY DEAR SENATOR ELLENDER: This is in reply to the request of your committee for a report on S. 72, a bill "To provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands."

I recommend that S. 72 be enacted.

S. 72 would make certain public-domain lands in New Mexico part of the Lincoln National Forest in that State. These lands were acquired by the United States in 1952 through exchanges for other public lands under the authority of section 8 of the Taylor Grazing Act of June 28, 1934, as amended (43 U. S. C., sec. 315g). The exchange was entered into to help block out the national forest lands in this area, and to simplify the administration of those lands.

These exchanges were first initiated under the authority of the act of June 15, 1926 (44 Stat. 746) which provides for the exchange of lands within national forests by the State of New Mexico for unappropriated public lands of the United States within or outside of national forests. Lands acquired by the United States under that act become a part of the national forests in which they are located. It was not thought advisable to complete the exchanges under that act since it contained no authorization for making exchanges of lands subject to outstanding grazing leases. Therefore, in order to recognize the equities of lessees with grazing privileges on the lands the exchanges were made under the Taylor Grazing Act under which those lessees could be adequately protected under the act of August 24, 1937 (50 Stat. 748, 43 U. S. C., sec. 315p).

The act of June 15, 1926 (44 Stat. 745, 16 U. S. C., sec. 471a), enacted earlier, but on the same day as the exchange act, provides that no forest reservation may be created or additions made to existing forests in New

Mexico or Arizona except by act of Congress. Since the Taylor Grazing Act does not authorize us to give national forest status to lands acquired in an exchange, legislative action by Congress is necessary to complete the purpose of the exchanges.

Such action would appear to be entirely in the public interest. The lands support merchantable timber and can be administered best together with the surrounding lands in the Lincoln National Forest.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

TRANSPORTATION ON CANADIAN VESSELS TO AND WITHIN ALASKA

The Senate proceeded to consider the bill (S. 948) to provide transportation on Canadian vessels between ports in southeastern Alaska and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 3, after the word "in," to insert the word "southeastern", so as to make the bill read:

Be it enacted, etc., That, until June 30, 1956, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between ports in southeastern Alaska, and passengers and merchandise may be transported on Canadian vessels between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation."

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 17) favoring the suspension of deportation of certain aliens was considered and agreed to.

(For text of above concurrent resolution, see CONGRESSIONAL RECORD of March 15, 1955, pp. 2863–2864.)

STANISLAVAS RACINSKAS

The bill (S. 39) for the relief of Stanislavas Racinskas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Stanislavas Racinskas (Stacys Racinskas). From and after the date of enactment of this act, the said Stanislavas Racinskas (Stacys Racinskas) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

FRANCIS BERTRAM BRENNAN

The bill (S. 128) for the relief of Francis Bertram Brennan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Francis Bertram Brennan, shall be held and considered to be the natural-born alien child of William F. Brennan, a citizen of the United States.

MIROSLAV SLOVAK

The bill (S. 129) for the relief of Miroslav Slovak was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miroslav Slovak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That the past membership of Miroslav Slovak in the classes defined in section 212 (a) (28) of the Immigration and Nationality Act shall not hereafter be a cause for his exclusion from the United States.

BOHUMIL SURAN

The bill (S. 131) for the relief of Bohumil Suran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Bohumil Suran shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

KURT GLASER

The bill (S. 143) for the relief of Kurt Glaser was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kurt Glaser shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ERNESTO DELEON

The bill (S. 167) for the relief of Ernesto DeLeon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ernesto DeLeon shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

GIUSEPPE MINARDI

The bill (S. 195) for the relief of Giuseppe Minardi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Giuseppe Minardi, who lost United States citizenship under the provisions of section 404 (a) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Giuseppe Minardi shall have the same citizenship status as that which existed immediately prior to its loss.

SZJENA PEISON AND DAVID PEISON

The bill (S. 243) for the relief of Szjena Peison and David Peison was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Szjena Peison and David Peison shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

JUNE ROSE McHENRY

The bill (S. 271) for the relief of June Rose McHenry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, June Rose McHenry shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LUIGI ORLANDO

The bill (S. 323) for the relief of Luigi Orlando was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Luigi Orlando, shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Lawrence Ricci, citizens of the United States.

CHARALUMPOS SOCRATES IOSSIFOGLU, NORA IOSSIFOGLU, HELEN IOSSIFOGLU, AND EFROSSINI IOSSIFOGLU

The bill (S. 348) for the relief of Charalumpos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Charalampos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ARON KLEIN AND ZITA KLEIN (NEE SPIELMAN)

The bill (S. 349) for the relief of Aron Klein and Zita Klein (nee Spielman) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Aron Klein and Zita Klein (nee Spielman) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SIEGFRIED ROSENZWEIG

The bill (S. 350) for the relief of Siegfried Rosenzweig was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Siegfried Rosenzweig shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ELLEN HENRIETTE BUCH

The bill (S. 351) for the relief of Ellen Henriette Buch was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ellen Henriette Buch shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

ISAAC GLICKMAN, REGHINA GLICKMAN, ALFRED CISMARU, AND ANNA CISMARU

The bill (S. 352) for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ALEXY W. KATYLL AND IOANNA KATYLL

The bill (S. 375) for the relief of Alexy W. Katyll and Ioanna Katyll was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Alexy W. Katyll and Ioanna Katyll shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

GIUSEPPINA LATINA MOZZICATO AND GIOVANNI MOZZICATO (JOHN MOZZICATO)

The bill (S. 378) for the relief of Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) was considered, ordered to be engrosed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SANDRA LEA MACMULLIN

The bill (S. 386) for the relief of Sandra Lea MacMullin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sandra Lea MacMullin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the act.

ALI HASSAN WAFFA

The bill (S. 394) for the relief of Ali Hassan Waffa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Ali Hassan Waffa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

INGE KRARUP

The bill (S. 409) for the relief of Inge Krarup was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Inge Krarup shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JAN HAJDUKIEWICZ

The bill (S. 412) for the relief of Jan Hajdukiewicz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Jan Hajdukiewicz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence

to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANASTASIA ALEXIADOU

The bill (S. 416) for the relief of Anastasia Alexiadou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That for the purposes of the Immigration and Nationality Act, Anastasia Alexiadou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FRANCISZEK JANICKI AND HIS WIFE, STEFANIA JANICKI

The bill (S. 429) for the relief of Franciszek Janicki and his wife, Stefania Janicki was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Franciszek Janicki and his wife Stefania Janicki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

ANICETO SPARAGNA

The bill (S. 432) for the relief of Aniceto Sparagna was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Aniceto Sparagna shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

ERNEST LUDWIG BAMFORD AND MRS. NADINE BAMFORD

The bill (S. 465) for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ernest Ludwig Bamford and Mrs. Nadine Bamford shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer or officers to make appropriate deductions of two numbers from the first available immigration quota or quotas.

CAPT. GEORGE GAFOS, EUGENIA GAFOS, AND ADAMANTIOS GEORGE GAFOS

The bill (S. 466) for the relief of Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

AINA BRIZGA

The bill (S. 471) for the relief of Aina Brizga was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Aina Brizga shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

MARIA ELENA VENEGAS AND SARAH LUCIA VENEGAS

The bill (S. 474) for the relief of Maria Elena Venegas and Sarah Lucia Venegas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Maria Elena Venegas and Sarah Lucia Venegas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

GERARD LUCIEN DANDURAND

The bill (S. 481) for the relief of Gerard Lucien Dandurand was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Gerard Lucien Dandurand. From and after the date of enactment of this act, the said Gerard Lucien Dandurand shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

DR. CHANG HO CHO

The bill (S. 585) for the relief of Dr. Chang Ho Cho was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Chang Ho Cho shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JAN R. CWIKLINSKI

The bill (S. 632) for the relief of Jan R. Cwiklinski was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jan R. Cwiklinski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ROGER OUELLETTE

The bill (S. 640) for the relief of Roger Ouellette was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, witwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Roger Ouellette may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

PENALTIES FOR THREATS AGAINST THE PRESIDENT-ELECT AND THE VICE PRESIDENT

The bill (S. 734) to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President-elect, was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of the bill?

Mr. KEFAUVER. Mr. President, I shall be pleased to make a brief explanation.

The purpose of the proposed legislation is to amend section 871 of title 18, United States Code, so as to provide penalties for threats against the President-elect and the Vice President. Section 871 of title 18, United States Code, makes it a Federal crime willfully and knowingly to make any threat to take the life of or to inflict bodily harm upon the President of the United States, whether such threat is deposited for conveyance in the mail, or is otherwise communicated. This will would amend the present statute to include threats against the President-elect and the Vice President of the United States.

The Treasury Department, in recommending favorable consideration of the bill, advises that there have been a number of cases involving threats against the President-elect and the Vice President, investigation or prosecution of which has been hampered because of lack of an applicable Federal statute.

The committee is of the opinion that the proposed legislation is necessary and, therefore, recommends favorable consideration of the bill.

Mr. PURTELL. I thank the distinguished Senator from Tennessee. I have no objection.

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

There being no objection, the bill (S. 734) to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That title 18, United States Code, section 871 is amended to read as follows:

"§ 871. Threats against President, President-elect, and Vice President

"Whoever knowingly and willfully deposits for conveyance in the mail or for delivery from any post office or by any letter carrier any letter, paper, writing, print, missive, or document containing any threat to take the life of or to inflict bodily harm upon the President of the United States, the President-elect, or the Vice President of the United States, or knowingly and willfully otherwise makes any such threat against the President, President-elect, or Vice President, shall be fined not more than $1,000 or imprisoned not more than five years, or both."

SEC. 2. The analysis of chapter 41 of title 18, United States Code, immediately preceding section 871 of such title is amended by deleting

"871. Threats against President."

and inserting in lieu thereof the following:

"871. Threats against President, President-elect, and Vice President."

SARAH KABACZNIK

The bill (S. 735) for the relief of Sarah Kabacznik was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Sarah Kabacznik shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CHOKICHI IRAHA

The bill (S. 891) for the relief of Chokichi Iraha was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Chokichi Iraha shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LEO A. RIBITZKI, MRS. CHARLOTTE RIBITZKI, AND MARION A. RIBITZKI

The bill (S. 1021) for the relief of Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.

PHILOPIMIN MICHALACOPOULOS (MIHALAKOPOULOS)

The Senate proceeded to consider the bill (S. 163) for the relief of Philopimin Michalacopoulos (Mihalakopoulos) which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That, for the purposes of the Immigration and Nationality Act, Philopimin Michalacopoulos (Mihalakopoulos) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNA C. GIESE

The Senate proceeded to consider the bill (S. 244) for the relief of Anna C. Giese which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the word "fee", to strike out the period and the words "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available" and insert "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act," so as to make the bill read:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Anna C. Giese shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AHMET HALDUN KOCA TASKIN

The Senate proceeded to consider the bill (S. 245) for the relief of Ahmet Haldun Koca Taskin which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 212 (a) (22) of the Immigration and Nationality Act, Ahmet Haldun Koca Taskin may be admitted to the United States for permanent residence if otherwise eligible under that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARINA BERNARDIS ZIVOLICH AND MIRKO ZIVOLICH

The Senate proceeded to consider the bill (S. 246) for the relief of Marina Bernardis Zivolich and Mirko Zivolich which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 8, after the word "fees.", to strike out:

Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 64 Stat. 219; 50 U. S. C. App. 1953).

And in lieu thereof, to insert:

Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

So as to make the bill read:

Be it enacted etc., That, for the purposes of the Immigration and Nationality Act, Marina Bernardis Zivolich and Mirko Zivolich shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two

numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CIRINO LANZAFAME

The Senate proceeded to consider the bill (S. 503) for the relief of Cirino Lanzafame which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Cirino Lanzafame may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROSETTE SORGE SAVORGNAN—BILL PASSED OVER

The bill (S. 309) for the relief of Rose'te Sorge Savorgnan was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of this bill?

Mr. KEFAUVER. Mr. President, I shall be very happy to give the Senate a brief explanation of the bill.

The bill, which was introduced by the Senator from Wisconsin [Mr. WILEY] is designed to enable a former citizen of the United States to regain her United States citizenship, which was lost by reason of naturalization in a foreign state. The beneficiary was born in Wisconsin in 1915 of native-born parents, and resided in the United States until 1941. In 1940 the beneficiary married her husband, who was an Italian citizen serving as Italian vice consul in St. Louis, Mo. In order to be married she was informed that it would be necessary for her to acquire Italian citizenship. She made the necessary application and obtained Italian citizenship prior to her marriage. Although intending to obtain Italian citizenship, it appears that she had no intention of endangering her United States citizenship or renouncing her allegiance to the United States. The beneficiary last entered the United States on January 23, 1952, as the wife of an accredited official of a foreign government, and is presently residing with her husband and two children in New York, where her husband is deputy consul general of Italy.

Correspondence in connection with the whole matter is set forth in the report. The Committee on the Judiciary unanimously reported the bill favorably. A similar bill passed the Senate in the 83d Congress.

Mr. PURTELL. Mr. President, the Department of Justice filed a report opposing relief, and stating that the alien "evidently intended to have both Italian and United States citizenship and to claim privileges of whichever status suited her convenience."

I wonder whether the Senator knows whether she renounced her citizenship to Italy. Otherwise, she would apparently have status in both countries. That is the reason for my inquiry.

Mr. KEFAUVER. As I understand, she would be required to take the oath of allegiance to the United States, under which she would renounce her allegiance to Italy.

Mr. SCHOEPPEL. Mr. President, I am not satisfied with this bill. I should like to have an opportunity to look further into it. I, therefore, ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

Mr. ERVIN. Mr. President, since the following bills all relate to the same matter and have been tentatively scheduled for consideration on Wednesday, I ask that they be passed over:

Calendar No. 107, S. 1325, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Calendar No. 108, S. 1326, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Calendar No. 109, S. 1327, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

Calendar No. 110, S. 1436, to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and for other purposes.

Calendar No. 111, S. 1457, to redetermine the national marketing quotas for burley tobacco for the 1955–56 marketing year, and for other purposes.

Calendar No. 124, H. R. 4951, directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes.

The PRESIDING OFFICER. Without objection, the bills will be passed over.

PROHIBITION OF TRANSPORTATION OF OBSCENE MATTER IN INTERSTATE OR FOREIGN COMMERCE

The bill (S. 599) to prohibit the transportation of obscene matter in interstate or foreign commerce was announced as next in order.

Mr. PURTELL. Mr. President, may we have an explanation of the bill?

Mr. KEFAUVER. I am glad the Senator from Connecticut has asked for an explanation, because this is an important bill. I ask unanimous consent that, following my remarks, an excerpt from the report of the Committee on the Judiciary may be printed in the RECORD.

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

(See exhibit A.)

Mr. KEFAUVER. Mr. President, the bill adds a new section to title 18, United States Code (the Criminal Code) to be numbered section 1465. Under existing law it is a criminal offense to transport obscene matter either through the mails or by common carrier, but it is not a crime to transport such matter otherwise, particularly by private conveyance. Traffickers in such matter are well aware of this loophole in the law, and now transport such obscene matter in their private automobiles with immunity.

As a matter of fact, there has been testimony in some investigations which the committee has held that entire truckloads of such material are transported from one State to another. This has come to be big business in the United States. Some persons have estimated that as much as $100 million worth of obscene literature is being transported by private vehicles each year, to the detriment of the school children of the United States.

The proposed new section makes such transportation in private vehicles a criminal offense.

Since the end objective is to discourage the transportation of obscene matter, it is thought wise to close this presently existing hole in the law.

This bill creates a presumption that such transportation is "for sale or distribution," if such obscene matter is being transported in such quantities as to fairly raise such a presumption. The presumption is, however, rebuttable.

EXHIBIT A

The subcommittee of the Committee on the Judiciary investigating juvenile delinquency in the United States, during the course of its investigations, discovered that the loophole in the present statute which this bill seeks to close has been exploited by purveyors of pornographic literature in interstate commerce by means of private conveyance. In its interim report just appoved by the Committee on the Judiciary, the Juvenile Delinquency Subcommittee recommended that the present loophole in the statute be closed so as to prohibit the transportation of obscene matters in interstate commerce by private conveyance. The investigations of the Juvenile Delinquency Subcommittee point up the necessity for early passage of this legislation by the Congress.

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

Mr. PURTELL. I have no objection.

The bill (S. 599) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the analysis of chapter 71 of title 18 of the United States Code is amended by inserting, immediately after and underneath item 1464, as contained in such analysis, the following new item:

"1465. Transportation of obscene matters for sale or distribution."

SEC. 2. Chapter 71 of title 18 of the United State Code is amended by inserting, immediately following section 1464 of such chap-

ter, a new section, to be designated as section 1465, and to read as follows:

"§ 1465. Transportation of obscene matters for sale or distribution

"Whoever knowingly transports in interstate or foreign commerce for the purpose of sale or distribution, any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or other article capable of producing sound or any other matter of indecent or immoral character, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"The transportation as aforesaid of 2 or more copies of any publication or 2 or more of any article of the character described above, or a combined total of 5 such publications and articles, shall create a presumption that such publications or articles are intended for sale or distribution, but such presumption shall be rebuttable.

"When any person is convicted of a violation of this act, the court in its judgment of conviction may, in addition to the penalty prescribed, order the confiscation and disposal of such items described herein which were found in the possession or under the immediate control of such person at the time of his arrest."

AMENDMENT OF UNITED STATES CODE RELATING TO MAILING OF OBSCENE MATTER

The bill (S. 600) to amend title 18 of the United States Code relating to the mailing of obscene matter was announced as next in order.

Mr. PURTELL. Mr. President, I wish to thank the distinguished Senator from Tennessee for the explanation he gave with respect to Senate bill 599. I assume that Senate bill 600 is of a similar nature, since it covers the same subject. However, I wonder if the Senator would give a brief explanation of the bill.

Mr. KEFAUVER. I shall be very happy to do so.

The bill reclassifies and redefines obscene literature. The Post Office Department has stated that under the old definition it is very difficult to prevent the shipment through the mails of certain types of obscene matter, the shipment of which the Department felt should be prevented, but as to which a question was raised, in view of the definition in the old law.

For instance, certain kinds of volumes would not be covered under the old law. The bill repeals the old definition, and the new definition, as set forth in the bill, is as follows:

Every obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance.

It would repeal the presently existing definition which is:

Every letter, packet, or package, or other mail matter containing any filthy, vile, or indecent thing, device, or substance.

The net effect of the new definition is to include in definition phonograph records or other sound-recording devices capable of producing sound.

In the Alpers case the Supreme Court decided that obscene phonograph records were included within the definition, but it was a split decision, 5 to 3, and reversed a Court of Appeals decision, deciding that phonograph records were not within the prohibition of existing law. The purpose of the bill is to give legislative sanction to the decision of the Supreme Court and to remove all possible doubt.

I ask unanimous consent, in view of the importance of the general subject, that an extract from the report of the Committee on the Judiciary be printed in the RECORD at this point in my remarks.

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

The subcommittee of the Committee on the Judiciary investigating juvenile delinquency in the United States reports that the nationwide traffic in obscene matter is increasing year by year and that a large part of that traffic is being channeled into the hands of children. That subcommittee recommended implementation of the present statute so as to prevent the using of the mails in the trafficking of all obscene matter. The passage of S. 600 will contribute greatly in the continuing struggle to combat juvenile delinquency and the corruption of public morals.

Mr. PURTELL. I thank the distinguished Senator from Tennessee for his most satisfactory explanation of this very necessary bill. Of course, I have no objection.

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

There being no objection, the bill (S. 600) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first paragraph of section 1461 of title 18 of the United States Code is amended to read as follows:

"Every obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance; and * * *."

SEC. 2. The fifth paragraph of section 1461 of title 18, United States Code, reading "Every letter, packet, or package, or other mail matter containing any filthy, vile, or indecent thing, device, or substance; and" is hereby repealed.

RESTRICTIONS ON THE ADMISSION OF CATTLE AND POULTRY INTO THE VIRGIN ISLANDS

The bill (S. 1166) to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended, was announced as next in order.

Mr. PURTELL. Mr. President, I wonder if we may have an explanation of the bill.

Mr. ELLENDER. Mr. President, this bill is the same as S. 3800 which passed the Senate last year. It tightens up two provisions of the quarantine laws which were relaxed when the Revised Organic Act of the Virgin Islands was approved on July 22 last year.

Section 32 of the Revised Organic Act of the Virgin Islands authorized the Secretary of Agriculture to permit the admission into the Virgin Islands of cattle which have been infested with or exposed to ticks but which are tick free at the time of importation. The purpose of this provision was to permit the entry of cattle for slaughter from the British Virgin Islands, and S. 1166 would restrict this provision to cattle so imported.

Section 33 of the Revised Organic Act of the Virgin Islands took away the Secretary's authority to prohibit the introduction of live poultry into the Virgin Islands to prevent the spread of disease. S. 1166 would restore the Secretary's authority in this regard.

This bill was recommended by the Department of Agriculture as being necessary to prevent the spread of diseases of livestock and poultry in the Virgin Islands, and through them, into other parts of the United States.

Mr. PURTELL. I thank the Senator from Louisiana for his explanation of the bill.

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

There being no objection, the bill (S. 1166) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the act of August 30, 1890 (26 Stat. 414, 416; 21 U. S. C. 104), "An act providing for an inspection of meats for exportation, prohibiting the importation of adulterated articles of food or drink, and authorizing the President to make proclamation in certain cases, and for other purposes," as amended, is further amended by deleting the words "and the admission into the Virgin Islands" immediately following the word "Texas" in the first sentence of such section; deleting the period at the end of such sentence; and adding the following clause after the word "therefrom" in such sentence: "and the admission from the British Virgin Islands into the Virgin Islands of the United States, for slaughter only, of cattle which have been infested with or exposed to ticks upon being free therefrom."

SEC. 2. That section 2 of the act of February 2, 1903 (32 Stat. 791, 792; 21 U. S. C. 111), "An act to enable the Secretary of Agriculture to more effectually suppress and prevent the spread of contagious and infectious diseases of livestock, and for other purposes," as amended, is further amended by deleting the proviso reading: "*Provided*, That no such regulations or measures shall pertain to the introduction of live poultry into the Virgin Islands of the United States."

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The bill (S. 1167) to amend the Soil Conservation and Domestic Allotment Act was announced as next in order.

Mr. PURTELL. Mr. President, I wonder if we may have an explanation of the bill.

Mr. ELLENDER. Mr. President, this bill provides for soil-conservation payments to farmers who carry out conservation practices on Federal lands in order to benefit their own lands. It would not require any additional funds, but would in some situations provide the most practicable method of meeting a major conservation problem for a particular farm.

I may say to the distinguished Senator from Connecticut that the bill was recommended by the Department of Agriculture, and was introduced by me at the request of the Department.

Mr. PURTELL. I thank the distinguished Senator from Louisiana for his explanation.

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

There being no objection, the bill (S. 1167) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (e) of section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h (e)), is amended by adding at the end thereof the following new sentence: "Persons who carry out conservation practices on federally owned noncropland which directly conserve or benefit nearby or adjoining privately owned lands of such persons and who maintain and use such Federal land under agreement with the Federal agency having jurisdiction thereof and who comply with the terms and conditions of the agricultural conservation program formulated pursuant to sections 7 to 17 of this act, as amended, shall be entitled to apply for and receive payments under such program to the same extent as other producers."

EXEMPTION FROM PENALTIES OF WHEAT GROWN FOR FEED AND SEED

The bill (S. 46) further to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 335 of the Agricultural Adjustment Act of 1938, as amended, is further amended by adding a new subsection (f) after subsection (e) to read as follows:

"(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1955 or subsequent years on the following conditions:

"(1) That none of such crop of wheat is removed from such farm;

"(2) That such entire crop of wheat is used for seed on such farm, or is fed on such farm to livestock, including poultry, owned by any such producer, or a subsequent owner, or operator of the farm;

"(3) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm."

AMENDMENT OF ACT ESTABLISHING A COMMISSION OF FINE ARTS—BILL PASSED OVER

The bill (S. 1413) to amend the act establishing a Commission of Fine Arts was announced as next in order.

Mr. PURTELL. Mr. President, I note that the purpose of the bill is to repeal the $10,000 limit of authorization established for the expenditures of the Commission on Fine Arts at the time of its establishment. At present, the bill provides for no ceiling at all. I wonder if we may have an explanation of the bill.

I do not wish to ask that the bill be passed over, but it may well be that some Senator may wish to amend the bill from the floor, so as to place a ceiling on the limit, since presently no ceiling is provided. Perhaps there should be a limitation of $25,000 or a similar sum.

Mr. GREEN. In explanation of the bill, perhaps I should read a letter from the Chairman of the Commission of Fine Arts addressed to the President of the Senate, which reads, in part, as follows:

The proposed bill would repeal the $10,000 limit of authorization established for the expenditures of the Commission of Fine Arts at the time of its establishment May 17, 1910.

Mr. President, that was 45 years ago.

Over the succeeding 45 years, the scope of the Commission has been extended by Executive orders, and 2 additional bills have been enacted into law which have increased the mission and responsibilities of the Commission without authorizing additional appropriations. These laws are:

Public Law 231, 71st Congress, an act "to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas of the National Capital."

Public Law 808, 81st Congress, an act "to regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital."

During recent congressional committee hearings on appropriation estimates, note has been taken by the committee chairmen of both Houses that no change in the limit of authorization has been made since the enactment of the original legislation and it was suggested that remedial legislation should be initiated by the Commission. The Congress has recognized the Commissions need to exceed the established limit by approving appropriations beyond the authorized limit. The objective of this legislation is to eliminate the disparity between the 1910 limit of authorization and the current operating budget of the Commission.

The Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation.

Sincerely yours,

DAVID E. FINLEY,
Chairman.

Mr. McCARTHY. Mr. President, I ask that the bill go over.

Mr. PURTELL. Mr. President, will the Senator withhold his request that the bill go over so that I may ask the Senator from Rhode Island if he would consider amending the bill so as to provide a ceiling of perhaps $25,000?

Mr. GREEN. I should like to take up the matter with representatives of the Commission itself. Personally I would have no objection to fixing some limit, but I doubt very much whether the amount mentioned by the Senator from Connecticut should be the limit. I may say there may be some danger in establishing a limit. For several years the Commission has had to appear before the Appropriation Committees for additional appropriations. The provisions of the bill would make it unnecessary to do so. The bill apparently was agreeable to the committees before which the chairman of the Commission appeared, and it was introduced at their suggestion.

Mr. McCARTHY. I suggest to the Senator that the bill go over until he arrives at some top figure. I think there should be a limit on the expenditures.

The PRESIDING OFFICER. The bill will go over.

EXPENDITURES FOR HEARINGS AND INVESTIGATIONS BY THE COMMITTEE ON ARMED SERVICES

The Senate proceeded to consider the resolution (S. Res. 72) authorizing expenditures for hearings and investigations by the Committee on Armed Services, which had been reported from the Committee on Rules and Administration with an amendment, on page 1, in line 3, after the word "amended", to insert "and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate", so as to make the resolution read:

Resolved, That in carrying out the duties imposed upon it by section 136 and authorized by section 134 (a) of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, the Committee on Armed Services, or any duly authorized subcommittee thereof, is authorized during the period from April 1, 1955, ending January 31, 1956, to make such expenditures, and to employ upon a temporary basis such investigators, technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution which shall not exceed $160,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendment was agreed to.

The resolution as amended was agreed to.

PRINTING AS A HOUSE DOCUMENT OF THE PAMPHLET OUR AMERICAN GOVERNMENT: WHAT IS IT? HOW DOES IT FUNCTION?

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 85) authorizing the printing as a House document of the pamphlet Our American Government: What Is It? How Does It Function? which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 10, after the word "hundred", to insert "five"; in the same line, after the word "thousand", to insert "two hundred and fifty", and in line 11, after the word "which", to strike out "twenty-four thousand seven hundred and fifty" and insert "thirty thousand", so as to make the concurrent resolution read:

Resolved by the House of Representatives (the Senate concurring), That the author of the pamphlet entitled "Our American Government, What Is It? How Does It Function?" as set out in House Document No. 465, 79th Congress, and subsequent editions thereof, revise the same, bring it up to date, and that it be printed as a public document.

SEC. 2. Such revised pamphlet shall be printed as a House document, and there shall be printed 305,250 additional copies, of which 30,000 copies shall be for the use of the

Senate; 266,150 for the use of the House of Representatives; 3,100 for the Senate Document Room; and 6,000 for the House Document Room.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

Mr. McCARTHY obtained the floor.

Mr. PURTELL. Mr. President, will the Senator yield so that I may ask a question?

Mr. McCARTHY. I yield.

Mr. PURTELL. In connection with House Concurrent Resolution 85, I wonder if we could have some information as to when the document which is to be printed will be available? I believe the Senator from Rhode Island [Mr. GREEN] may be able to tell us. I am referring to House Concurrent Resolution 85, authorizing the printing as a House document of the pamphlet, Our American Government: What Is It? How Does It Function? Can the Senator enlighten us as to when the document may be available?

Mr. GREEN. Yes. There has been a great demand for that document ever since it was printed.

Mr. JOHNSON of Texas. I believe the Senator from Connecticut is asking when the document will be available. I assume it will be available as soon as it is printed.

Mr. GREEN. It is already printed. I do not know how many reprints there have been, but I think there have been 6 or 7. The documents will be available as soon as there is authorization for the printing. The new edition is ready for printing.

Mr. JOHNSON of Texas. I understand it is a matter of days.

REDETERMINATION OF MARKETING QUOTAS FOR BURLEY TOBACCO FOR THE 1955–56 MARKETING YEAR

The bill (H. R. 4951) directing a redetermination of the national marketing quota for burley tobacco for the 1955–56 marketing year, and for other purposes, was announced as next in order.

Mr. ERVIN. Mr. President, that bill went over. I asked that it go over in connection with certain other bills.

The PRESIDING OFFICER. Is the Senator from North Carolina referring to Calendar No. 124, House bill 4951?

Mr. ERVIN. Yes.

The PRESIDING OFFICER. The bill has been passed over.

That completes the call of the calendar.

ADMINISTRATION POLICY REGARDING QUEMOY AND THE MATSUS

Mr. McCARTHY. Mr. President, I desire to address the Senate this afternoon, very briefly, on a matter which at this very moment is giving the Nation grave concern.

Over the weekend the newspapers reported that the administration anticipates a Communist assault on Quemoy and the Matsus in April—only weeks from now. Everybody, it seems, agrees that the Communists plan to attack those islands.

However, Mr. President, while the world is pretty well informed about Communist intentions, it is in total darkness about American intentions. The world does not know, the country does not know, Senators do not know, what America will do if Quemoy is invaded. I regard this lack of knowledge with the utmost concern.

What is serious, Mr. President, is not so much that the Senators have not been told what our intentions are, but that our enemy has not been told. I believe that the administration's failure to tell the Communists what we will do is a strategic blunder of the first magnitude.

When President Eisenhower, some weeks ago, asked Congress to state by formal resolution its approval of the decision to defend Formosa, the most conspicuous—and the most persuasive—argument in support of such a resolution was that such a declaration would inform the Communists, in advance, what our answer to further aggression would be.

This policy of prior and positive warning was regarded as the most effective deterrent to attack—the surest way to avoid war. We were reminded that World War I might have been avoided if England, in July 1914, had advised the Kaiser of her intention to fight. We were reminded that Hitler might never have attacked Poland if he could have been made sure that Britain and France would answer with a declaration of war. We were told that war would possibly never have broken out in Korea if the Communists had been advised that we would support South Korea—if Dean Acheson had not excluded Korea from our defense perimeter.

I will not argue the subject further, Mr. President, for I think the Senators agree on the wisdom of giving one's enemy advance notice of the consequences of aggression. I think most of them voted for the Formosa resolution precisely for this reason.

But now, Mr. President, where are we? We are in exactly the position that the Formosa resolution was supposed to take us out of. The Communists are preparing an attack on Quemoy, gambling that the United States will not intervene—and they are able to gamble because the administration is being coy about its intentions. Time and again in the past weeks the President and the Secretary of State have been asked for an unambiguous statement of American intentions. None has been forthcoming. The British, on the other hand, are shouting from the rooftops that Quemoy and the Matsus must be sacrificed. What are the Communists to think of all this? Are they not, Mr. President, being encouraged to stretch their luck? This is a perilous game we are playing, and an unnecessary one.

I call upon President Eisenhower to declare, before another day has passed, what America will do in the event Quemoy and the Matsus are attacked. I, for one, cannot believe that the administration will decide to sacrifice still more islands of free China to the Communists—in order to appease the Communists and please the British. But if the administration has decided against appeasement in this instance, then it must so declare. If it does not so declare its intentions, Mr. President, then the administration is deliberately inviting what may be an unnecessary war. In that event, it may have to answer to American mothers for the blood of their sons.

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

The PRESIDING OFFICER [Mr. ERVIN in the chair]. 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. Without objection, it is so ordered.

THE DINOSAUR NATIONAL MONUMENT AND THE COLORADO RIVER STORAGE PROJECT

Mr. WATKINS. Mr. President, I rise today to discuss a matter of great importance to the Intermountain West and all Americans who are interested in the development of our natural resources.

S. 500, which has for its purpose the authorization of the Colorado River storage project and participating projects, is now pending before the Interior and Insular Affairs Committee of the Senate. Hearings have been held, and action by the full committee is imminent. In fact, I am advised that action on it probably will be taken tomorrow at the meeting of the committee.

A similar bill was before the Senate last year but was not acted upon although it was the pending business when the Senate took its recess last August.

A phase of this bill has been the subject of a great deal of discussion and debate. I am referring to the controversy over the so-called Echo Park Dam and Reservoir. The controversy also includes a much smaller storage project downstream from Echo known as Split Mountain. Both of these reservoir sites are on the Upper Colorado River and its tributaries.

Proponents of the proposed giant reclamation program declare that these storage reservoirs—2 of 9 in the comprehensive program—are absolutely necessary to the successful operation of the project.

Opponents, essentially a southern California water lobby and a few vocal members of conservation and wildlife groups, deny this claim and assert that to permit the construction of the Echo Park and Split Mountain Reservoirs would be an invasion of a national park and would set a precedent which would endanger our national-park system, of which the Nation is justly proud.

The debate is approaching fever heat. Other units of the program and the merits of this great reclamation project are being lost in the confusion of charges and counter charges. Members of Congress have been bombarded and now are being deluged with hundreds of pressure-type letters written, and in many cases mimeographed, by well-meaning

people who honestly believe the national-park system is in real danger.

It is my purpose in this discussion to throw some much needed light on this badly muddled situation.

I shall begin by attempting to clear away some misconceptions.

The words "Echo Park" are themselves misleading. There is not now and never has been a national park named "Echo." This will not be denied.

It was an old custom in the West to designate small areas on streams, in canyons, and in the national forests as "parks." All that was required to merit the local term "park" was a clearing, or a grassy plot of ground, or a meadow bordering on a stream, or a wider place in a narrow canyon, and so forth. Hence numerous small areas on the upper Colorado River were named "parks" by the pioneers. Island Park, Browns Park, and Echo Park are outstanding examples.

It is hardly necessary to add that this practice has given rise to a mistaken belief among many people that "Echo Park" is really a national park.

In view of these circumstances, how does the controversy over "Echo Park" arise? Let me review the developments chronologically.

In 1915 President Woodrow Wilson, under the Antiquities Act, set aside an 80-acre tract of land in northeastern Utah, where some skeletons of dinosaurs had been discovered, as a national monument. This area was called Dinosaur National Monument, and that monument probably has received more publicity in the past few years than any other monument in the United States.

This 80-acre tract was a part of the public domain. Many years later—on July 14, 1938, to be exact—President Franklin D. Roosevelt, by formal proclamation, added 203,885 acres of public land to the original 80 acres and declared it, subject to some significant exemptions, to be a part of the Dinosaur National Monument.

The new area extends roughly 40 miles upstream on the Colorado River tributaries. The monument extension embraced lands on both sides of the Green and Yampa Rivers, and the area named "Echo Park" by the pioneers is included within its boundaries.

The opponents of Echo Park and Split Mountain Dams contend that this 1938 proclamation made all the area along those streams, including the Echo and Split Mountain Dam sites, a part of a national monument, and they challenge not only the propriety but also the legal right of public use of these reservoir and dam sites for water, power, and reclamation purposes.

This claim is challenged by the sponsors of the Colorado River project, who insist that valid existing rights to develop those water resources are specifically covered in the 1938 proclamation.

I am willing to go even further, and now state categorically, after an extensive search of Interior Department and Federal Power Commission records, that the areas now in controversy are not now and never have been under the exclusive possession and jurisdiction of the National Park Administration. In fact, it is extremely doubtful that the National Park Service has now, or ever has had, jurisdiction over these areas, except in a subservient capacity.

These conclusions furthermore are sustained by irrefutable documentary evidence from the records of the Federal Power Commission, an independent Federal agency set up by Congress, and the Department of the Interior.

Based on my examination of the record, evidence which I shall lay before this body, I declare without fear of successful challenge that the opponents of the Echo Park and Split Mountain Reservoirs are attempting to invade areas which were withdrawn from the public domain and set aside for the specific purpose of water and power development and conservation, by duly constituted agencies of the United States many years before the extension of the Dinosaur National Monument was ever thought of. And these withdrawn areas enjoy the same status now as they did the day they were withdrawn.

This puts the shoe on the other foot. It is not a national monument that is being invaded; it is a matter of some misled or misinformed conservationists who are trying to urge that Uncle Sam violate his integrity and treat as mere scraps of paper solemn reservations in the public interest in the Dinosaur Monument area that precede the limited monument proclamation by 17 to 34 years. It ill behooves honest conservationists to take such an untenable position, because we who love our parks and monuments should strive to preserve as honorable and legal commitments the reservations of public lands for such a noble and worthy use as parks and monuments. Therefore, how can they, in the same breath, ask that equally binding and legal reservations for water development, be invaded, especially when the monument proclamation itself recognizes and exempts from the Dinosaur Monument land reservation these previous withdrawls for water resource development?

Residents of the so-called public land States also have cause for concern lest the Congress accede to uninformed public pressure in this case, and, in effect, establish a precedent for violating reservations for power and water resource and reclamation development. Most States in the western half of the country still have thousands of acres of public lands reserved under withdrawals similar to those now in effect in eastern Utah and western Colorado for reclamation and water power, and they should be concerned lest a bonafide precedent be established that would endanger future development of public water resources in the semiarid West where water conservation has prime priority over all the other resources.

The record evidence I bring before the Senate today is known, or should have been known, to the leaders among the opponents of the Echo Park and Split Mountain projects. Even a casual research would have revealed this information to anyone, and it is a record which cannot be successfully challenged.

I charge, therefore, that the opponents of the Echo Park project have consciously or unconsciously deceived and misled thousands of sincere and well-meaning American citizens into taking a position of opposition and hostility to a very meritorious and desperately needed water-development program.

Mr. HAYDEN. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. HAYDEN. The Senator from Utah has been referring to certain ardent conservationists, who desire to preserve all wildlife and scenery and who seek to convey the idea that the Dinosaur National Monument, particularly around Echo Canyon, has been formally set aside as a national park, with such a status that it cannot be disturbed for all time to come.

I should like to point out a parallel case. President Theodore Roosevelt set aside a vast area in the vicinity of the Grand Canyon in Arizona as the Grand Canyon National Monument. Everyone agreed, when the monument was created, that it was much larger than was necessary. As a Member of the House of Representatives, I participated in the preparation of a bill defining the boundaries of Grand Canyon National Park and limiting them to the gorge in the canyon and contiguous areas around it so as to provide for proper highways. I did not think I was doing something which was absolutely sacrosanct, and that the boundaries could never afterward be disturbed for any purpose or for any use. The boundaries established may have been accurate, but they may also be subject to changes. The view which has been taken is that such boundaries when established must not be touched.

It was proposed that a dam be constructed in Bridge Canyon. The elevation of the dam was such that in the lower end of Grand Canyon National Park water would be backed up into a gorge where no one could see it 20 miles away from where the ordinary tourist visited. Yet, we were told the height of the dam would have to be reduced because Grand Canyon National Park could not be disturbed in any particular even by a small amount of backwater, which was carrying conservation, nature-loving, and wildlife protection to an utter extreme.

When that occurred, Mr. President, I lost patience, and that is why I feel that in the instance which the Senator from Utah is pointing out, if there is an absolute conflict between the necessity of obtaining water in that area of the West and the desire to preserve scenery, then scenery must give way to necessity.

Mr. WATKINS. In this particular case, reservations were made for the entire area so far as reclamation and power development were concerned. The President of the United States created a monument subject to all the prior withdrawals for reclamation and power purposes. Here we have a case of the camel getting his nose under the tent and then trying to get rid of the owner of the tent. The opponents are trying

to stop the President from action, although it was stated that the project would be subject to the dominant interests of reclamation and power development.

Mr. President, I shall now proceed to lay before my colleagues, step by step, the undisputed public record which governs the areas in dispute and determines their status:

First. The areas in controversy, originally a part of Mexico, became, at the time of the ratification of the treaty of peace with that country, a part of the public domain of the United States. These areas have been ever since that time and now are in Federal ownership and control, subject to whatever legal actions that have been taken with respect to them since that time.

Second. From October 17, 1904, through April 16, 1925, 11 withdrawals or reservations of large tracts within the areas in controversy, and including the Echo Park and Split Mountain Reservoir sites, were made either by the Secretary of the Interior or the Federal Power Commission, an independent agency set up by Congress to have authority and jurisdiction in such matters independently of the executive department, for the purposes of water and power development in the public interest. These withdrawals for the purposes mentioned and in the order in which they took place, are as follows:

First. Reclamation withdrawal of October 17, 1904—Brown's Park Reservoir site;

Second. Power site reserve No. 5, May 26, 1909;

Third. Power site reserve No. 42, August 27, 1909;

Fourth. Power site reserve No. 121, March 10, 1910;

Fifth. Power site reserve No. 721, July 11, 1919;

Sixth. Power site reserve No. 732, December 27, 1919;

Seventh. Power site classification No. 3, May 17, 1921;

Eighth. Power site classification No. 60, February 21, 1924;

Ninth. Federal Power Commission project No. 524, August 4, 1924;

Tenth. Power site classification No. 87, February 14, 1925; and

Eleventh. Power site classification No. 93, April 16, 1925.

This is the first time this complete record has been brought to the attention of the Congress and the general public.

It is important to keep this list in mind, in view of the discussion which will follow.

I believe it would be helpful to the Members of Congress and any others interested to have a further breakdown of these withdrawals, with particular reference to the authority under which they were issued. For that reason I ask unanimous consent that exhibit No. 1, which I have prepared, listing these withdrawals in one column and authority under which they were issued in an opposite column, be inserted in the RECORD immediately following my main statement.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, it is so ordered.

(See exhibit 1 at end of speech.)

Mr. WATKINS. Mr. President, before proceeding with other actions listed in the records with respect to the area in controversy, I desire to make some pertinent comments on the withdrawals I have just mentioned:

The question may naturally arise, "Are all of these withdrawals still in effect?" In other words, are they still in good standing?

The answer is, "Yes."

This question was presented to the Federal Power Commission by one of my staff members in my behalf. Mr. Jerome K. Kuykendall, chairman of the Commission, answered the question in a letter which I received recently.

I wish to quote pertinent paragraphs from the letter, which I ask unanimous consent to have made exhibit No. 2:

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

(See exhibit 2.)

Mr. WATKINS. Mr. President, I quote from the letter, as follows:

> This is in furtherance to the telephone conversation of February 11 between Mr. McGuire of your office and Mr. Divine of the Commission's staff concerning the status of the lands withdrawn for power site purposes in and about the Dinosaur National Monument, Colorado and Utah.
>
> Mr. McGuire also requested that you be advised as to: What was the status of the power withdrawals on July 14, 1938, and what is their status at this time.
>
> In answer to that inquiry, the following power site withdrawals were in effect July 14, 1938, as to lands now within the monument boundaries and no appreciable change has been made in them since that date:

Power site reserve No.:	Date
5	May 26, 1909
42	Aug. 27, 1909
121	Mar. 10, 1910
721	July 11, 1919
732	Dec. 27, 1919
Power site classification No.:	
3	May 17, 1921
60	Feb. 21, 1924
87	Feb. 14, 1925
93	Apr. 16, 1925
Federal Power Commission project No. 524	Aug. 4, 1924

> In response to the request for a sketch showing the extent of the power site lands within the monument area, I am attaching a copy of the topographic map of the Dinosaur National Monument upon which there has been superimposed the limits of the lands covered by each of the above-cited power withdrawals.

I wish to emphasize the date—July 14, 1938—and the statement by Mr. Kuykendall that power-site withdrawals were in effect at that time, because that was the date when President Franklin D. Roosevelt issued the proclamation expanding the Dinosaur National Monument from 80 acres to more than 202,000 acres, a 2,500-fold expansion.

The pertinent paragraphs of this letter show that the inquiry was about the status of lands withdrawn for power purposes within the present boundaries of Dinosaur National Monument, Colorado and Utah. The answer is also plain—the 10 power-site withdrawals were in effect July 14, 1938, and no appreciable change had been made in them since that date. The physical limits of these withdrawals are shown on a reduced reproduction of the FPC map, included with the documents on the desk of each Senator.

The documents I refer to are the 2 maps, 1 marked "A," and the other marked "B." I shall use them later in the discussion.

In other words, the status of the withdrawn lands is now the same as it was when they were withdrawn, and then the writer names the specific power withdrawals which I have already listed.

Third. When the proposal to increase the 80-acre Dinosaur National Monument some 2,500 times in size was under consideration, the National Park Service of the Department of the Interior wrote the Federal Power Commission a letter outlining the proposed program of the Service. The letter is relevant to the discussion, so I shall read it in full:

> UNITED STATES
> DEPARTMENT OF THE INTERIOR,
> NATIONAL PARK SERVICE,
> *Washington, D. C. August 9, 1934.*
> FEDERAL POWER COMMISSION,
> *Washington, D. C.*
>
> GENTLEMEN: We are studying the possibility of setting aside certain lands in northwestern Colorado as a national monument. The area considered is within the watershed shown on the map marked exhibit H (a), which accompanied an application of January 30, 1932, of the Utah Power & Light Co., for a preliminary permit, and which is on file in the Denver office of the Reclamation Bureau. The proposed monument would be affected by the Echo Park Dam site and the Blue Canyon Dam site, as indicated on the enclosed map of the proposed monument.

I hold in my hand a map which Mr. Demaray sent to the Federal Power Commission. It shows the proposed Yampa Canyon National Monument, which was later made an extension of the Dinosaur Monument, orginally containing 80 acres and some dinosaur bones.

The bones have been largely removed; but after their removal, the Government increased its holdings 2,500-fold, in order to take care of the remaining bones. I continue to read from the letter:

> Such an area would be established by Presidential proclamation which would exempt all existing rights, and a power withdrawal is of course an existing right.

This is from the National Park Service. They were trying to have the property set aside as a national monument.

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

Mr. WATKINS. I yield.

Mr. MANSFIELD. The Senator mentioned dinosaur bones. When were they removed from the particular area concerned?

Mr. WATKINS. I was practicing law at Vernal, Utah. I went there in 1912, after I had graduated from law school. At that time the monument had not been set aside by President Wilson, but some excavations had been made, and some bones had been found.

The Carnegie Institute, of Pittsburgh, was financing the excavations. The discovery was rather important.

A little later, in 1915, President Wilson set aside the 80 acres surrounding the area where the bones were being uncovered. So it must have been in a period of a few years before and after 1915 when the bones were removed. Some are still there.

Mr. MANSFIELD. Have any attempts been made by the Universities of Colorado, Utah, or New Mexico to engage in that kind of activity?

Mr. WATKINS. No. The schools in that region did not have the funds with which to do it; and so long as the Carnegie Institute had the money and the time, the universities were satisfied to let the institute proceed.

Mr. MANSFIELD. Is any work being done now?

Mr. WATKINS. No; except that the land is being used as a national monument. The quarry has been abandoned for many years. There is simply a big hole in the ground. That is about all that people see when they go there.

I can readily understand why the Park Service wanted to expand the holdings. The original 80 acres was not a very impressive place.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MARTIN of Pennsylvania. The Senator from Utah stated that the Carnegie Institute furnished the money.

Mr. WATKINS. It may have been the museum. Probably the museum would have been the one.

Mr. MARTIN of Pennsylvania. It make no difference. The Carnegie Institute engaged in 2 or 3 such activities. At that time, the Senator stated, the Carnegie Institute had plenty of money. That is correct. But by reason of inflation, and the consequent devaluation of the dollar, which has largely been caused by deficit financing, the Carnegie Institute is not now financially in a position to do the work it formerly did.

Mr. WATKINS. I thank the Senator from Pennsylvania.

I continue to read from the letter of Mr. Demaray:

> However, we feel that we should call this to your attention. If it is possible to release the power withdrawals that you now have in the area, our monument will be placed in a much better position from the standpoint of administration.

Here is direct recognition of the fact that the power filings and power withdrawals were in existence.

I read the concluding paragraph:

> If you have any data or reports on this area, we would appreciate very much receiving copies.
>
> Very truly yours,
>
> A. E. DEMARAY,
> *Acting Director.*

A map accompanied the letter showing the location of the Echo Park and Blue Canyon Dam sites to be within the areas of the proposed expansion of the monument.

It will be noted this letter was dated August 9, 1934—many years after the 11 water and power withdrawals had been made by the Department of the Interior and the Federal Power Commission.

The Echo Park Dam site was specifically mentioned by the Park Service's Acting Director, and then he made this significant statement:

> Such an area would be established by Presidential proclamation which would exempt all existing rights, and a power withdrawal is, of course, an existing right.
>
> However, we feel that we should call this to your attention. If it is possible to release the power withdrawals that you now have in the area, our monument will be placed in a much better position from the standpoint of administration.

It is important to remember that language, because when we come to the proclamation by President Roosevelt almost the identical language is used by him in exempting existing rights in those lands from the administration of the Park Service.

Fourth. The Federal Power Commission, through its Chairman, Mr. Frank R. McNinch, replied by letter under date of December 13, 1934, to the Park Service letter of inquiry. I shall read pertinent parts of the reply, reproduced in full as exhibit 3:

> DEAR DIRECTOR CAEMMERER: Reference is made to Acting Director Demaray's letter of August 9, 1934, in which the Commission was advised that you were studying the possibility of establishing a national monument along the Green and Yampa Rivers in northwestern Colorado which would embrace lands withdrawn for the proposed Echo Park and Blue Mountain power developments included in the application for preliminary permit of the Utah Power & Light Co., designated as project No. 279.
>
> Assurance was given in the letter that the Presidential proclamation establishing such a monument would exempt all existing rights, including power withdrawals, but a statement was added that if it were possible to release the power withdrawals the "monument would be placed in a much better position from the standpoint of administration." This implied request for a vacation of the power withdrawal has called for careful consideration because of the magnitude of the power resources involved and the fact that the permit application is still in suspended status pending conclusion of the comprehensive investigation of irrigation and power possibilities on the upper Colorado River and its tributaries by the Bureau of Reclamation, and a more definite determination of water allocations between the States of the upper basin. The power resources in this area are also covered by power site reserves Nos. 121 and 721 and power site classifications Nos. 87 and 93 of the Interior Department.
>
> In the application of the Utah Power & Light Co. the primary power capacity of the Echo Park site is estimated at 130,000 horsepower. This is based on the development of a head of 310 feet at the dam and a regulated flow of 4,000 cubic feet per second obtained by storage in the proposed Flaming Gorge Reservoir on Green River and Juniper Mountain Reservoir on Yampa River. At Blue Mountain the primary capacity is estimated at 19,000 horsepower based on the development of 210 feet of head and a regulated flow of 1,100 cubic feet per second.
>
> Ralf R. Woolley in his report on Green River and its utilization (Water Supply Paper No. 618, U. S. Geological Survey), proposes the development of 114,800 horsepower, primary capacity, at the Echo Park site, based on an average head of 290 feet and a streamflow of 4,950 cubic feet per second. At Johnson's Draw, which is his designation for the Blue Mountain site, Mr. Woolley proposes a primary capacity of 43,200 horsepower based on a regulated flow of 1,800 cubic feet per second and a head of 300 feet. Either of these estimates would justify installations of something like 300,000 horsepower at Echo Park and at least 50,000 horsepower at Blue Mountain.

That is what Mr. McNinch was telling the National Park Service, which had inquired as to the possibility of creating a national monument.

I continue with Mr. McNinch's letter:

> It is generally recognized that the Green and Yampa Rivers present one of the most attractive fields remaining open for comprehensive and economical power development on a large scale. Power possibilities on Green River between the proposed Flaming Gorge Reservoir and Green River, Utah, and on the Yampa River below the proposed Juniper Mountain Reservoir are estimated at more than 700,000 primary horsepower, which would normally correspond to 1,500,000 to 2,000,000 horsepower installed capacity. Excellent dam sites are available, and as the greater part of the lands remain in the public domain, a very small outlay would be required for flowage rights. The sites we are considering are important links in any general plan of development of these streams.
>
> Regardless of the disposition which may be made of the Utah Power & Light Co.'s application, and giving due consideration to the prospect that some time may elapse before this power is needed, the Commission believes that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units in the center of the scheme. The Commission will not object, however, to the creation of the monument if the proclamation contains a specific provision that power development under the provisions of the Federal Water Power Act will be permitted.

I interpolate, Mr. President, to say that this is exactly what Mr. Roosevelt did in the proclamation in which he expanded the 80-acre tract to more than 200,000 acres.

I now proceed to comment on this letter. First I call attention to the fact that the "two units in the center of the scheme" were Echo Park and Blue Mountain dam sites.

It is manifest that the Federal Power Commission clearly rejected the request for a vacation of the power site withdrawals, pointing out that the request had "called for careful consideration because of the magnitude of the power resources involved and the fact that the permit application [Utah Power & Light Co.'s application for a permit] is still in suspended status pending conclusion of the comprehensive investigation of irrigation and power possibilities on the upper Colorado River and its tributaries by the Bureau of Reclamation and a more definite determination of water allocations between the States of the upper basin."

No doubt the Commission had in mind what was being done at that particular time by the Bureau of Reclamation, including the Geological Survey, under the direction of Mr. Ralf Woolley, one of the outstanding engineers in that area, who died not long ago in my native State.

It is interesting and important to note that in this letter Mr. McNinch recognized and called attention to the fact that there was a comprehensive investigation of irrigation and power possibilities taking place on the upper Colorado River and its tributaries by the Bureau of Reclamation. The truth is that this investigation had been going on for

many years, a fact which was well known not only to the Federal Power Commission but also to the National Park Service.

It was well known also that the States of the upper basin—to wit, Colorado, New Mexico, Utah, and Wyoming—had not yet entered into a compact for the allocation of the water supply which each State would get out of that portion of the Colorado River awarded to the upper basin by the 1922 Colorado River compact.

Mr. McNinch, for the Commission, further declared that this area was "one of the most attractive fields remaining open for comprehensive and economical power development on a large scale" and that sites under consideration "are important links in any general plan of development of these streams." So the Park Service could not plead ignorance of what was taking place there and what Mr. McNinch meant. Incidentally, it should be pointed out that before a monument could be created there, the records would have to be checked to see what the status of the lands was. If that had been done, the records would have been seen, and it would be known that what I have introduced into the RECORD so far is absolutely correct.

The reply also emphasized "that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units—Echo Park and Blue Mountain Dam sites—in the center of the scheme."

I quoted the letter at this point in my discussion for the purpose of showing that the Federal Power Commission was insisting that its withdrawals in the public interest were still in good standing and that fact was recognized in December 1934 by the National Park Service. Furthermore, the validity of these withdrawals was not questioned by the National Park Service at that time, and to my knowledge has not been challenged since then. In fact, the validity was affirmed specifically in the 1938 proclamation itself. I shall discuss the proclamation and its meaning and effect later at length.

Fifth. Another letter, under date of November 6, 1935, written by the late Harold L. Ickes, Secretary of the Interior, to Chairman Frank R. McNinch, Federal Power Commission, was a 1935 followup along the lines taken by the National Park Service in the Demaray letter.

Mr. Ickes said, in part, in that letter (exhibit No. 4):

> The Utah Power & Light Co. filed an application in January 1932 for a preliminary permit for a power-site reservation in the Yampa and Green River section. This application was on file in the Denver office of the Reclamation Bureau. Recently, however, the Utah Power & Light Co. voluntarily withdrew their application. This suggests that the power resources of the section may not be as important as originally believed.
>
> I shall appreciate receiving your opinion as to the possibility of releasing the power withdrawals that exist in the area. By such action the proposed monument would be placed in a much better position from the standpoint of administration.

In this communication no less an authority than the Secretary of the Interior recognizes that valid power-site withdrawals existed in the area of the proposed Dinosaur Monument extension. Secretary Ickes also recognized that the Federal Power Commission had jurisdiction over those extensive reserved areas by virtue of the Federal Water Power Act of 1920.

At this point I call attention to two maps, copies of which have been placed on each Senator's desk. Mr. President, I shall appreciate it if my colleagues will examine the maps. As I proceed, I shall explain their significance.

Map A shows the location and the boundaries of the 10 power withdrawals to which I have already directed your attention. It also has indicated the boundaries of the enlarged Dinosaur National Monument.

Map B was prepared, for illustrative purposes, from map A. The withdrawals are colored black for emphasis.

I believe my colleagues will be able to understand just what these maps mean, by reading the legends and the descriptive matter which appears on them. On the maps Senators will notice that the boundary of the expanded Dinosaur National Monument is indicated in the heavy lines around the area. The withdrawn areas are colored black or blue on map B. It will be noted that those withdrawn areas—all of which were withdrawn many years prior to the expansion of the Dinosaur National Monument to more than 200,000 acres—include practically all the area along the rivers and the canyons in the expanded Dinosaur National Monument. In fact, I think only a very few acres are not so included.

Mr. NEUBERGER. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. NEUBERGER. I could not hear everything the Senator from Utah was saying when I was sitting over in "coffin corner," so I am now sitting in proximity to the Senator from Utah.

Mr. WATKINS. I am very glad to have the Senator from Oregon sit close by.

Mr. NEUBERGER. If I misunderstood the Senator from Utah, I hope he will correct me. Is it his contention that the so-called conservation groups are not correct in their claim that land to be flooded by the proposed Echo Park Dam will be within the boundaries of Dinosaur National Monument?

Mr. WATKINS. The lands to be flooded will be within the boundaries of the expanded Dinosaur National Monument. However, my point is that all these lands were withdrawn many years prior to the issuance of the proclamation by President Roosevelt on July 14, 1938, and in that proclamation he specifically exempted the lands which are in the flooded area. All of them were withdrawn in advance.

Mr. NEUBERGER. Mr. President, will the Senator from Utah yield further to me?

Mr. WATKINS. I yield.

Mr. NEUBERGER. Was this point called to the attention of the groups which have testified in opposition to the Echo Park proposal when they appeared before the Reclamation Subcommittee?

Mr. WATKINS. I called it to the attention of General Grant, I think, in 1954, when the Senate committee was holding hearings. It has been called to the attention of those groups in a general way many, many times, and I think they tried to evade it. But, so far as I know, this is the first time the specific withdrawals, showing the location, the date, the extent, and so forth, have been placed before either this body or the committees of either House.

Mr. NEUBERGER. Why was not this point brought up earlier, farther removed from the final date—which is tomorrow, I believe—for consideration by the full committee in connection with the recommendations of the subcommittee as to the upper Colorado project?

Mr. WATKINS. Speaking for myself, I may say that, of course, we lead a rather busy life because of committee hearings, floor duties, and other work, and I had always taken it for granted that there would be no real dispute about those withdrawals, which had been mentioned many, many times before. But, to my chagrin, I found that many persons who are honest and sincere did not know about the withdrawals, and the only way to show them was by using a map to block them out so as to indicate them clearly and also give the dates.

We have been working a month and a half on this material, and the work was finally completed on Saturday. It was our desire to present the material to both bodies before now. I presented the same statement to the House committee this morning; and certainly I would have presented it before now to the Senate if I had been able to get it ready in sufficient time.

Mr. NEUBERGER. It is certainly my opinion, although I may be in error, that if this is new material, the committee or the subcommittee certainly should reopen its consideration of the Echo Park project, so that the groups on the other side may have an opportunity to answer the questions raised.

Mr. WATKINS. I would say that in a House committee memorandum last year, most of this material was carried in a general way, although without going into details, and without giving it in illustrative form, as I am attempting to do today. That was done last year, and it was discussed several times in the hearings last year.

This year we have not attempted to go back over all that material and ask all the questions which previously were asked of the witnesses. This is not new material, but it is a presentation in a new way of a great deal of old matter that the Park Service officials had in their possession all the time; and I would say that the Department officials knew about it all the time and never raised any question about it. In fact, during those times they agreed with Mr. Roosevelt and Mr. Ickes.

It has been only recently that some of those who claim to be conservationists have made an issue over the matter. In other words, they are now going back on the agreement which was entered into by Mr. Roosevelt, Mr. Ickes, Mr. Demaray, and the Power Commission repre-

sentatives, and, in general, the people of the upper Colorado States.

Mr. NEUBERGER. Did the conservation groups enter into any agreement?

Mr. WATKINS. They did not enter into an agreement; but the people in the Government who represent the conservation interests of the United States did.

Mr. NEUBERGER. Of course, I am sure the Senator from Utah will agree that no group of private citizens—whether in the Izaak Walton League, the Audubon Society, or any other organization—need be bound by what the President of the United States and the Secretary of the Interior of another era have done.

Mr. WATKINS. No; they do not have to be bound by them. But in good faith, when a matter of that kind has been taken care of, and when people's rights are involved, they certainly should stand by the decisions which have been made by the responsible officials of the Government at the time. Of course, we cannot bind any citizen of this country to anything. He has the right to object, to oppose, and to fight any time he wishes to do so.

Mr. NEUBERGER. The Senator inferred that they are breaking some kind of agreement. I do not think they are. They were never parties to any agreement.

Mr. WATKINS. This is why I am going after them: They are saying that we are invading a national park, that the national park system is being invaded, and that this project would set a dangerous precedent. They have shouted that claim all over the United States. It has become their theme song. I am pointing out that there is no invasion. I am pointing out that if there is any invasion they are doing the invading. They are trying to invade these withdrawals made for the purpose of conserving water, the most precious thing we have in the arid West, as the Senator well knows. They are doing the invading. The shoe is on the other foot. They represent the camel who has its nose under the tent. They are trying to kick out the people who have been working in that area all these years. The shoe is entirely on the other foot. That is what I am trying to make clear in this debate. I think the record conclusively proves my contention.

Mr. NEUBERGER. It is correct, however, that there will be commercial activity within the boundaries of the national monument if the Echo Park project is authorized as a part of the upper Colorado undertaking.

Mr. WATKINS. There will be nothing except what the Government of the United States builds.

Mr. NEUBERGER. I understand that, but it still is——

Mr. WATKINS. It still is carrying out the purposes of the Reclamation Act, and carrying out the purposes of the Water Power Act. It will be built by the United States through the Bureau of Reclamation, if it is authorized. There can be no doubt that such activities on the part of the United States are proper. That was decided a long time ago, and the program has been in operation for more than 50 years.

Mr. NEUBERGER. No one says that such activities are improper; only that it constitutes something of a new departure to have them within the borders of a national park or monument.

Mr. WATKINS. The water and power withdrawals were there first. The monument advocates knew that they were there. They were perfectly willing to have the monument expanded, with the provision that they would be subject to the dominant interest of water power and reclamation. That has been more or less the common practice.

Mr. NEUBERGER. There was timber cutting in the Olympic Peninsula long before the national park was created; but when the park boundaries were created, timber cutting had to cease within the boundaries of the park.

Mr. WATKINS. That was because it was not reserved in the proclamation as President Roosevelt reserved the right to develop water and power in this Dinosaur area. As I proceed, the Senator will see that I take care of all the questions he has raised.

Mr. NEUBERGER. I shall be very much interested to listen further.

Mr. WATKINS. The Brown's Park reclamation withdrawal—No. 1 in the list previously offered—is not shown on this map. It started at a point about 6½ miles south of the monument's north boundary and extended for approximately 20 miles up the Green River. But at least 6½ miles of that withdrawal are within the boundaries of the Dinosaur National Monument area.

Interesting features of this map are the location and the relative size of the original 1915 Dinosaur Monument withdrawal as compared with the enlarged monument. The small original withdrawal of 80 acres is colored red on map "B." If Senators will look at the map they will see that the original 1915 Dinosaur Monument withdrawal is indicated in the lower left-hand corner of the map. It is the little red spot to which the red arrow points, consisting of 80 acres, as compared with the vast area which was taken in by the proclamation expanding the monument. That was not in dispute in any way. There were no other withdrawals of any kind that interfered with the full use of that 80-acre area as a national monument.

It will be seen that virtually the entire river area within the enlarged Dinosaur Monument is covered by the prior water and power withdrawals. In fact, the withdrawals also extend a considerable distance on either side of the river at many points.

It also should be noted that the controversial Echo Park and Split Mountain Dam sites are located on the map, both clearly within the withdrawn areas.

I think Senators can locate those features. The Split Mountain dam site is not far upstream from the original Dinosaur Monument. It is indicated by the arrow pointing to that spot. The Echo Park dam site is farther upstream at a point just below the union of the Yampa and Green Rivers, two tributaries of the Colorado.

The situation is clearly indicated on the map. So all the area in dispute was in these reclamation and water power withdrawals, which had occurred many years before the 1938 expansion.

The number and date of the withdrawals also are printed on the map. This map should be helpful in understanding the proclamation issued by President Roosevelt in 1938, increasing the size of the Dinosaur National Monument from its original 80 acres some 2,500 times to its present area of over 203,000 acres.

Sixth. On January 6, 1936, Chairman McNinch of the Federal Power Commission, replied to Secretary Ickes. The complete text of his reply is reproduced as exhibit No. 6.

In the letter Mr. McNinch rejected the Interior Secretary's request to vacate the power withdrawals and quoted from his own 1934 letter the paragraph which explains why the FPC could not, in the public interest, release the reservations preserving power resources of such magnitude.

Seventh. Although chronologically out of place, the next document—exhibit No. 5—which should be considered is the proclamation issued by President Woodrow Wilson under date of October 4, 1915, creating the Dinosaur National Monument. From it I quote the whereas paragraph:

> Whereas, in section twenty-six, township four south, range twenty-three east of the Salt Lake meridian, Utah, there is located an extraordinary deposit of dinosaurian and other gigantic reptilian remains of the Juratrias period, which are of great scientific interest and value, and it appears that the public interest would be promoted by reserving these deposits as a national monument, together with as much land as may be needed for the protection thereof.

After using the necessary language to set aside this area as a national monument, the President makes this statement:

> While it appears that the lands embraced within this proposed reserve have heretofore been withdrawn as coal and phosphate lands, the creation of this monument will prevent the use of the lands for the purposes for which said withdrawals were made.

That, in effect, canceled out those withdrawals. The reason why I say it canceled them out is that the development of phosphate and coal in that area could not proceed if dinosaur bones were being dug out. The digging for dinosaur bones had already been in progress. Nothing had been done about the development of coal and phosphate lands. The area lay vacant for many years. There had been no mineral developments whatever there.

It will be noted that this proclamation makes no reference to valid existing rights, and to my knowledge no power or reclamation withdrawals ever applied to this 80-acre area. In fact, the above language effectively rescinds mineral reservations which previously had applied to these lands. This gave the original 1915 monument a tight land reservation, and no one has ever challenged it.

Back in 1915 President Wilson decided that the 80-acre land reservation was adequate to protect the extraordinary deposits of dinosaurian and other gigantic reptilian bones. Twenty-three

years later President Roosevelt, under the prodding of Interior Secretary Ickes, decided that the protection of these bones required 203,885 acres in addition to the 80 acres originally set aside. This 2,500-fold extension ultimately was ordered, in spite of the fact that practicaly all of the known deposits of bones in the original 80-acre site had been excavated and removed from the monument. The 1938 action seemed to be a case of setting aside many more acres to protect a greatly reduced number of dinosaur bones.

In my opinion, President Wilson and his advisers, in issuing the 1915 monument order, were keeping strictly within the powers of the President under the Antiquities Act. On the other hand, it is extremely doubtful that the 1938 proclamation of President Roosevelt can be sustained as a matter of law. A casual reading of the Antiquities law of June 8, 1906, and of this latter proclamation will be sufficienet to point up what I am saying. However, I am not urging that this unjustified expansion of the Dinosaur Monument be upset, because it is my view that the area in controversy can be used both for reclamation and National Monument purposes, and those uses are both in the interests of the public.

Eighth. We now come to the Dinosaur National Monument expansion proclamation issued by President Franklin D. Roosevelt in July 1938, which I quote in full, except for the land description:

PROCLAMATION—JULY 14, 1938 (53 STAT. 2454)—ENLARGING THE DINOSAUR MONUMENT, COLORADO AND UTAH, BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas certain public lands contiguous to the Dinosaur National Monument, established by Proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest; and

Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument;

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906 (chapter 3060, 34 Stat. 225 U. S. C., title 16, sec. 431), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public-land laws and added to and made a part of the Dinosaur National Monument: * * * aggregating 203,885 acres.

The language "subject to all valid existing rights" is extremely important, in view of the correspondence between the Park Service and the Federal Power Commission. Of course the Federal Power Commission is not an agency of the Interior Department, rather it is an independent agency created by Congress.

Quoting further from the Proclamation:

Warning is hereby expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification and for other purposes made by Executive Order No. 5684 of August 12, 1931, and the Executive Order of April 17, 1926, and the Executive Order of September 8, 1933, creating Water Reserves No. 107 and No. 152.

I interpolate at this point to say that neither of the withdrawals mentioned in the Executive order of September 8, 1933, is involved in this controversy.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes", approved August 25, 1916, (39 Stat. 535; U. S. C., title 16, secs. 1 and 2), and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Browns Park Reservoir site in connection with the Green River project.

The language "except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920," and so forth, is almost identical with the words used by Mr. McNinch in his letter, in which he said that if language like that were inserted, the Federal Power Commission would go along with the legislation. Long investigations were held on that point, and a large amount of money was spent on the investigations, as well as in the investigations by Mr. Ralf Woolley. All these activities, we must bear in mind, were a part of the consideration of the subject and were a part of the agreement which was entered into through correspondence between the various agencies involved, as well as in the final carrying through of the matter by the President of the United States.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 14th day of July, in the year of our Lord 1938, and of the independence of the United States of America the 163d.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,
The Secretary of State.

First, it will be noted that this proclamation was issued many years after the 11 reclamation and water and power withdrawals previously referred to were ordered by legally constituted authorities.

In the first paragraph it will be noted how weak the case is for increasing the monument acreage some 2,500 times in size, when the best the President can say is that the areas are contiguous to the Dinosaur National Monument and "have situated thereon various objects of historic and scientific interest."

I point out that in the hearings held by the Senate and House committees it was shown that there is very little material in that area which is of exceptional direct scientific and historic interest, although, of course, the whole crust of the earth is of general scientific interest. Outside the area under consideration there are a great number of canyons and other areas which contain much more material of scientific and historic interest than is contained in the area the President of the United States added.

Contrast the statement in the first paragraph with the specific description in the opening paragraph of the Wilson proclamation heretofore cited, in which the President definitely pointed out that the bones which had been found were of great interest.

In the third paragraph, President Roosevelt makes the Monument "subject to all valid existing rights." There is not the slightest doubt that officials in the Interior Department, Park Service and the Secretary of the Interior, had in mind the water and power withdrawals which I have listed and discussed previously. It will be remembered that Acting Director of the National Park Service, A. E. Demaray, made this statement in his letter of August 9, 1934, to the Federal Power Commission, in which he discussed the proposed extension of Dinosaur National Monument: "Such an area would be established by Presidential Proclamation which would exempt all existing rights, and a power withdrawal is of course an existing right."

The Park Service and Secretary Ickes did all they could to get the Federal Power Commission to cancel the power withdrawals, but failed, as the record shows. The proclamation accordingly was prepared for the signature of the President, who ordered that the expanded monument would be "subject to all valid existing rights." There is not the slightest doubt as to what rights were intended by that statement.

It was only in recent times that the new idea that we are now invading the national park system came into being.

The President in the next to the last paragraph of the proclamation directs that the National Park Service shall have the supervision, management, and control of this Monument "except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920, as amended, and the administration of the Monument shall be subject to the reclamation withdrawal of October 17, 1904, of the Browns Park Reservation site in connection with the Green River project."

I repeated those words for emphasis, because they are important to this discussion.

Once again let me say that the National Park Service and the Secretary of the Interior's Office, including those who drafted this proclamation, clearly had in mind the listed withdrawals which had been made by the Secretary of the Interior and the Federal Power Commission in the area of the proposed expansion of the Dinosaur National Monument. They doubtless also had in mind that these exempted reservations were for public use, to-wit: The building of waterpower and reclamation projects, the latter including water and power developments in accordance with the Reclamation Act. The Reclamation Bureau is a part of the Department of the Interior, and certainly no Secretary of the Interior who was on the job as vigorously as Mr. Ickes was could have escaped knowing that the entire river area within the proposed expansion of the Dinosaur National Monument had been, and was at the time, under intense plan-

ning operations for Federal reclamation projects.

In fact, Mr. Ickes' park director was so advised in a letter from FPC Chairman McNinch, previously introduced as exhibit No. 3.

By incorporating those specific exemptions for water and power reservations, therefore, the Interior Department and President Roosevelt must be given credit for attempting to protect the programs which were then being worked out for the benefit of the upper basin States in order that they might put to a beneficial use the water allotted to them under the Colorado River compact of 1922.

Also, it should be remembered that the United States was a party to that compact, and the responsible officials in the Interior Department at the time knew that in order to put that water to use the upper basin States would have to have projects built under the United States reclamations laws. For that purpose, the Federal Government itself would be the responsible agent in building that project. This means that there would be no necessity for licensing of dams by the FPC in this particular area. It would be necessary for Congress to authorize the construction of such dams, which it has full authority to do, and all the talk about the restriction of FPC licensing authority under the 1921 and 1935 amendments to the Federal Water Power Act of 1920 has just been a legal smokescreen to obscure the facts.

Another phase of what would be existing rights in this particular instance is extremely interesting. It is no doubt well known by Members of the Congress that withdrawals for reclamation projects, including water and power development, reserve public lands for the building of storage dams, reservoirs, conduits, powerplants, transmission lines, canals, and all incidental facilities required or used in connection with reclamation projects.

All these needs, of course, are equally well known to the Department of the Interior, Bureau of Reclamation, and to the National Park Service, both agencies within the Department. They went into it with their eyes open, and they knew they could not administer it as they said they would like to administer it.

With such uses in mind, it would be physically impossible for the Park Service to have the dominant interest in the Dinosaur Monument area if this water-development project should be built.

That does not mean, however, that a program for very effective recreational use of the areas which are not inundated by the water in the reservoirs—and this would be about nine-tenths of the monument area—cannot be successfully undertaken. The reverse is true, as many competent witnesses have reported to congressional committees. In fact, plans have been made for the expenditure of some $21 million to develop a great recreational area at Dinosaur Monument, which will be available for the use of all Americans.

They have gone ahead in good faith and, in order to make the joint operation work, they have planned a $21-million development. It is in the report and testimony of the Reclamation Bureau on this program. It will make available this great area to all the people of the United States.

It is significant also that this 1938 proclamation is absolutely unique among the more than 100 national monument proclamations which my staff and I have examined. Nowhere else in the proclamations and laws pertaining to national parks and monuments have I been able to find another order which contains specific exemptions of both power and reclamation withdrawals. A few monument proclamations contain reclamation exemptions—notably to protect water supplies of the Southwest Indians—but no other monument proclamation, to my knowledge, contains a specific exemption of power withdrawals as does the Dinosaur Monument extension order of 1938.

Our staff study also disclosed that at least 12 national parks are covered by provisos inserted in legislation pertaining to them, expressly stating that the terms of the 1920 Federal Water Power Act do not apply to the lands embraced then and in the future in those respective parks. Such a legislative proviso, incidentally, was written into an act of June 20, 1938 (52 Statutes 781), pertaining to Hawaii National Park, so it is apparent that the Congress in that year was familiar with the fact that valid existing public-land reservations under the Federal Power Act may apply to park and monument land withdrawals, and that Congress may recognize one or the other.

Important and relevant to this discussion is an opinion written by Nathan R. Margold, Solicitor of the Interior Department. The opinion is dated December 5, 1939, a little over a year after President Roosevelt's proclamation expanding the Dinosaur National Monument. Mr. Margold was Solicitor during most of Harold L. Ickes' term of office as Secretary of the Interior, and, specifically, he was the Department Solicitor at the time of the 1938 proclamation enlarging the Dinosaur National Monument.

The opinion involves two questions. The first and most important is: "May a national monument be created subject to the reclamation withdrawals and power site classifications and thereby preserve and continue the effectiveness of the withdrawals and classifications?" Since the opinion itself will point up matters under consideration here and the reasons for the decision, I ask unanimous consent that it be incorporated in the RECORD at this point in my remarks.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, December 5, 1939.

The Honorable the SECRETARY OF THE INTERIOR.

My DEAR MR. SECRETARY: My opinion has been requested concerning certain legal questions arising out of the proposal to establish by proclamation the Sawtooth National Monument in Idaho. The lands involved in the proposed national monument are within the Boise, Challis and Sawtooth National Forests. Certain of the lands have been withdrawn pursuant to section 3 of the act of June 17, 1902 (32 Stat. 388), for reclamation purposes in connection with the Boise project. In addition, certain of the lands are affected by four power site classifications made by the Secretary of the Interior pursuant to the act of March 3, 1879 (20 Stat. 394). The questions presented for my consideration are:

1. May the national monument be created subject to the reclamation withdrawals and power site classifications and thereby preserve and continue the effectiveness of the withdrawals and the classifications?

2. In the event that the national monument is created subject to the classifications, will the Federal Power Commission thereafter be authorized to grant licenses affecting the classified lands pursuant to the Federal Water Power Act (41 Stat. 1063), as amended?

It is my opinion that the first question must be answered in the affirmative and the second question in the negative.

The act of June 8, 1906 (34 Stat. 225), provides in part as follows:

"That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected."

It may be seen from the foregoing statute that the sole requirement concerning the status of lands included within national monuments is that such lands be owned or controlled by the Government of the United States. There can be no doubt that the lands here in question are so owned and controlled. There is nothing in this statute nor in any other statute with which I am familiar that would prohibit lands, otherwise appropriate, from being included in a monument subject to prior reservations and classifications of the character here involved. The practice of establishing monuments in connection with lands subject to prior reservations for other purposes is one that has existed from the very inception of the national monument legislation. In 1908 the proclamation creating the Grand Canyon National Monument (35 Stat. 2175) provided as follows:

"The reservation made by this proclamation is not intended to prevent the use of the lands for forest purposes under the proclamation establishing the Grand Canyon National Forest, but the two reservations shall both be effective on the land withdrawn, but the national monument hereby established shall be the dominant reservation."

In the case of *Cameron* v. *United States* (252 U. S. 450) the Supreme Court of the United States approved the validity of this national monument and, in so doing, stated (p. 455):

"The tract is on the southern rim of the Grand Canyon of the Colorado, is immediately adjacent to the railroad terminal and hotel buildings used by visitors to the canyon, and embraces the head of the trail over which visitors descend to and ascend from the bottom of the canyon. Formerly it was public land and open to acquisition under the public-land laws. But since February 20, 1893, it has been within a public-forest reserve established and continued by proclamation of the President under the acts of March 3, 1891 (ch. 561, sec. 24; 26 Stats. 1095, 1103), and June 4, 1897 (ch. 2; 30 Stats. 34–36); and since January 11, 1908, all but a minor part of it has been within a monument reserve established by a proclamation of the President under the act of June 8, 1906, chapter 3060, 34 Statues 225. The forest reserve remained effective after the creation of the monument reserve, but insofar as

both embraced the same land the monument reserve became the dominant one."

In the proclamation of January 13, 1908 (35 Stat. 2176), establishing the Tonto National Forest is was provided that "since the withdrawal made by this proclamation and any withdrawal heretofore made for national irrigation works are consistent, both shall be effective upon the land withdrawn, but the withdrawal for national irrigation works shall be the dominant one and may, when necessary, be changed to a withdrawal for irrigation from such works." This practice has been followed through the years to the present time. As recently as July 14, 1938, the proclamation relating to the Dinosaur National Monument provided that the administration of the monument was to be subject to a prior reclamation withdrawal.

In the light of this long and persistent practice, there can be no reasonable doubt as to the legal propriety of establishing national monuments subject to prior reservations for other purposes (see *United States* v. *Midwest Oil Company* (236 U. S. 459).

The second question involves the authority of the Federal Power Commission pursuant to the Federal Water Power Act (41 Stat. 1063), as amended by the Federal Power Act (49 Stat. 838). It is clear that the Federal Power Commission is by statute expressly prohibited from granting licenses for power works within national monuments. Section 3 of the Federal Water Power Act, as amended by section 201 of the Federal Power Act. In my opinion of August 19, 1938 (M. 29936), I so held. It follows that if the lands affected by the power site classifications are included in the national monument, the Federal Power Commission will be without authority to grant licenses affecting them. Any attempt to preserve this authority in the Commission by specific provisions in the national monument proclamation would be ineffective since the authority of the Commission has been prescribed by Congress and cannot be extended by provisions in an Executive proclamation of this character.

I am, accordingly, of the opinion that the proposed Sawtooth National Monument may be established subject to the reclamation withdrawals and power site classifications affecting certain of the lands therein, thereby preserving and continuing the effectiveness of the withdrawals and classifications, but that the Federal Power Commission will thereafter be without authority to grant licenses pursuant to the Federal Water Power Act, as amended, relating to the lands given a national monument status.

Respectfully,

NATHAN R. MARGOLD,
Solicitor.

Approved December 5, 1939.

OSCAR L. CHAPMAN,
Assistant Secretary.

Mr. WATKINS. I continue with my comments on the opinion of Mr. Margold, Solicitor of the Department of the Interior, with respect to the time—July 14, 1938—the proclamation was signed by President Roosevelt. Mr. Margold wrote the opinion on which I am commenting, in 1939.

My first comment on this opinion is to point up the fact that Mr. Margold was in full agreement with the procedure that had been carried out in the Dinosaur Monument Proclamation of 1938.

After quoting the statute under which the President of the United States would act in creating a national monument, Mr. Margold declares:

There is nothing in this statute nor in any other statute with which I am familiar that would prohibit lands, otherwise appropriate, from being included in a monument subject to prior reservations and classifications of the character here involved. The practice of establishing monuments in connection with lands subject to prior reservations for other purposes is one that has existed from the very inception of the national-monument legislation.

Several instances are cited in support of the opinion.

One of them is the Dinosaur National Monument proclamation. Another is the citation of three areas which are equally appropriate to and apropos of this discussion.

The second question discussed by Mr. Margold was:

In the event that the national monument is created subject to the classifications, will the Federal Power Commission thereafter be authorized to grant licenses affecting the classified land pursuant to the Federal Water Power Act (41 Stat. 1063), as amended?

This question is not really material to the present controversy for the reason that in the case of the area under controversy the withdrawals were all made a long time prior to the expansion of the Dinosaur National Monument.

Furthermore, there is no reason why there should be any licenses issued by the Federal Power Commission in this case. When the Echo Park and Split Mountain Dams are built, if the bill authorizing them shall be passed and the money appropriated, they will be constructed by the United States through the Bureau of Reclamation. No private individuals, corporations, or entities are asking for FPC licenses to build these reservoirs and power facilities. The United States owns the lands; they have been reserved by proper authority.

It should be made clear that when the Federal Government is to build and operate reclamation works, including water facilities and powerplants, it does so in its sovereign capacity and is not under the necessity of going to any of its own agencies, such as the FPC, for a license to perform those functions. A mere statement of the case makes it abundantly clear that this is the correct position.

I might say that it would be as appropriate for a Senator to go to his administrative assistant and obtain permission to do certain things in connection with the discharge of his senatorial duties as to make the kind of argument which has been made, namely, that the Government must obtain a license from FPC, one of its agencies, to construct these dams.

The act creating the Federal Power Commission, incidentally, not only gave the FPC power to issue permits and licenses for power resource development on public lands, but also gave it jurisdiction over public lands reserved for potential power development; and that is shown in the opinion which I did not read, but which I had intended to read, and which opinion is now in the RECORD. Mr. Margold makes it very clear that the licensing power is quite a different thing than the power to make reservations for public development, in the public interest, by the United States itself, through its Bureau of Reclamation.

I have shown that the FPC and the Bureau of Reclamation retain such jurisdiction over reserved river lands of the Dinosaur Monument, and Mr. Margold's opinion bears out my conclusion. Licensing of projects by the FPC in this area is not proposed and is not an issue in this matter whatsoever.

The conclusion that must be drawn from this documentary study is that the Dinosaur Monument canyon lands, which conservationists have been mistaken in believing were in the exclusive possession of the National Park Service, actually have never been so possessed. The scenic canyons of the Green and Yampa Rivers which uniformed or misled conservationists have been praising in manifold and expensive propaganda brochures and national publications, actually have been reserved and protected all along by the Bureau of Reclamation and the Federal Power Commission and are under the jurisdiction of these agencies today. The National Monument lands, reserved in that extremely limited monument proclamation of 1938, merely surround these canyons, which themselves have been reserved as a public trust for water resource development since the early 1900's.

Furthermore, it is obvious that if the Congress recognizes these older and well-established water resource development rights over the 17-year-old inferior monument rights of the 1938 proclamation, no precedent would be established to endanger the National Park system. This is obvious, because, as I have stated, no other park or monument act or proclamation contains similar exceptions to the double exemption found in the Dinosaur Monument proclamation of 1938 made by former President Roosevelt. These exemptions clearly establish that the rights to water resource development in this desert area have both legal and historical precedence over the greatly restricted monument land reservation.

Former Secretary of the Interior Oscar L. Chapman also reached the conclusion that no precedent was involved, after a thorough study of this matter in 1950. Following a hearing on the proposed construction of the Echo Park and Split Mountain dams as part of the overall development of the upper Colorado River Basin, he made this significant statement in a memorandum dated July 27, 1950:

Weighing all the evidence in thoughtful consideration, I am impelled in the interest of the greatest public good to approve the completion of the dams in question, because:

(a) I am convinced that the plan is the most economical of water in a desert river basin and therefore in the highest public interest; and

(b) The order establishing the extension of the monument in the canyons in which the dams would be placed contemplated use of the monument for a water project, and my action, therefore, will not provide a precedent dangerous to other reserved areas.

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

Mr. WATKINS. I yield.

Mr. NEUBERGER. Will the distinguished Senator advise me whether that was Secretary Chapman's final position with regard to that project while he was a member of the Cabinet, in charge of the Interior Department?

Mr. WATKINS. That was his official statement made after hearings before him, held in the Interior Department Auditorium.

Mr. NEUBERGER. The Senator still has not answered my question.

Mr. WATKINS. I do not know of any other official statement he made. I know that afterwards he "wobbled" for a while. He wanted to know if there was any other place where the project might be built. He wanted to keep his mind open. But his decision with respect to the precedent stands as the last official action. I have not seen anything to the contrary in any of the records.

Mr. NEUBERGER. The Senate states that Secretary Oscar Chapman's final official position, until he left the office of Secretary of the Interior, was that he favored the construction of Echo Park Dam in the Dinosaur National Monument land?

Mr. WATKINS. I would say that his statement that—

> The order establishing the extension of the monument in the canyons in which the dams would be placed constituted use of the monument for a water project, and my action, therefore, will not provide a precedent dangerous to other reserved areas.

Was his final official position.

Mr. NEUBERGER. That was his final official position?

Mr. WATKINS. That is my understanding. I have not seen anything to the contrary. Whether or not he favors the project is another matter.

Mr. NEUBERGER. I have not come to the floor armed with a lot of documents or assistants. I am asking, for my information, whether that was his final official position.

Mr. WATKINS. So far as I know, it was. I know I had a good deal of correspondence with him when he began to postpone making a decision about going ahead with the project, for other reasons than its being an invasion of a national monument. He wobbled back and forth on that decision as to whether or not it ought to be done, and we had considerable correspondence. Since he has left the Department I understand he has taken the position the project should not be built. But he recommended once it should be built.

Mr. NEUBERGER. I should like to make one comment, if I may. My impression of Secretary Chapman is that he is quite a resolute person, and not a man given to wobbling. Is it not possible that a Cabinet member, be he the Secretary of the Interior or the Secretary of State, might perhaps obtain information or facts which would lead to another conclusion on some question? My opinion is that Secretary Chapman had a good deal of political courage, and that he was possessed of a good deal of positive information on such a subject as that he was considering.

Mr. WATKINS. I shall be glad to submit to the junior Senator from Oregon the correspondence exchanged between the former Secretary and myself, and newspaper statements which he made. If he did not wobble, I do not know what wobbling is. He was regarded in Utah and in the intermountain States generally as the best example in public life of a person who wobbled.

Mr. NEUBERGER. Is the distinguished Senator saying that when a person changes his mind, that is wobbling?

Mr. WATKINS. When a person makes a decision, then comes to doubt it, then goes back to the first decision, then goes to the second decision, then changes his position several times, it sounds to me like wobbling.

Mr. NEUBERGER. We have had many statements recently from the White House and the State Department on four-power conferences. Does that sound like wobbling?

Mr. WATKINS. I have not read the full facts in that regard. If I had, I could answer the Senator's question as to whether it is wobbling. I have seen enough wobbling to know what it is.

Mr. NEUBERGER. I think the Senator ought to give the same lenient review to decisions of former Secretary Chapman as he does to the present officials of the Government.

Mr. WATKINS. Does the Senator accuse the Secretary of State of wobbling?

Mr. NEUBERGER. No; I am merely saying that if the Senator accuses former Secretary Chapman of wobbling, what about the present officials of the Government?

Mr. WATKINS. I can prove that former Secretary Chapman wobbled.

Mr. NEUBERGER. And I can take the files of the Washington Post and Times Herald to prove that present officials in the Government have wobbled.

Mr. WATKINS. I will take the official files rather than newspaper files.

Similar conclusions have also been reached by the present Secretary of the Interior, Douglas McKay, and by President Eisenhower, both of whom wholeheartedly endorse the Colorado River storage project.

I hope that I have successfully dispelled the false "invasion" charges and myths that have been built up around the Dinosaur Monument area. It is also my sincere hope that honest conservationists and nature lovers will study this documentary proof and conclude with me that the Federal Government's integrity in reserving desert areas for water-resource development must be recognized and respected, especially when they are so recognized in a proclamation affecting a national monument.

If we do not respect such authority and such legally correct precedents for including the Echo Park and Split Mountain Dams in the eminently sound and vitally needed Colorado River storage project, then the structure of laws and precedents built up to protect the national parks and monuments that I and most other Americans love and appreciate may itself be placed in jeopardy.

In conclusion, let me remind my colleagues:

First. That the Echo Park Reservoir is second in efficiency, both in the storing and conserving of water and in the production of electric energy, among the nine proposed storage reservoirs in the Colorado River project.

Second. That Echo Park is strategically located between Denver, Colo., and Salt Lake City, Utah, the largest power-consuming centers of the four-State area.

Third. That Echo Park Reservoir is in the center of a group of lesser reservoirs—Flaming Gorge, Juniper, and Split Mountain—and by reason of its location and size it improves the efficiency of these other reservoirs.

Fourth. That the Echo Park Dam site will make deep storage of water possible, thereby cutting down drastically on evaporation losses. It is estimated that use of the Echo Park Dam site will save at least 120,000 acre-feet of water over any of the so-called alternate sites.

Every one of the "alternate sites" that have been suggested will be needed in the final consummation of the use of all the water to which the upper basin States are entitled under the compact.

Fifth. That 120,000 acre-feet of water is sufficient to supply the needs of a city the size of Denver, with its population of over 400,000 people. The total population of Utah is only approximately 750,000.

Sixth. That the upper Colorado River States urgently need and could use beneficially at least twice the amount of water they are allocated under the Colorado compact—7,500,000 acre-feet a year.

Seventh. That the four upper Colorado River States—Colorado, New Mexico, Utah, and Wyoming—now have within their borders reservations of public lands for parks, monuments, national forests, wilderness areas, and so forth, all for the enjoyment of the people of the United States, to the extent of over 43 million acres. That is an area larger than the combined areas of all the New England States.

In his appearance before the Senate Interior and Insular Affairs Committee, one of the conservationists asked, "Should the people of the United States have some of the area as God made it, for us and for our children to see and to enjoy for recreational purposes, and in order to be able to learn about the wonders of nature?"

Again, I point out, Mr. President, that in the States to which I have been referring more than 43 million acres outside of Dinosaur National Monument have been set aside for that very purpose—for the benefit of all the people of the Nation. I have indicated that that area is larger than the area of all the New England States combined. Certainly that should be sufficient. There is a commandment that God's children should be fruitful and multiply, and replenish the earth and subdue it. That commandment indicates that after all is said and done, God expects us to do something about the earth, when he places us here. Certainly there is no reason why man-made reservoirs, dams, and other developments should not be approved by the people and be just as interesting as the natural conditions which existed on the earth prior to man's work upon its surface. In the West there remain, untouched, wonders of nature in great abundance, as Senators from the West and all others who have visited that area know very well. In the West there are hundreds of miles of canyons

and millions of acres of land where people can get away from all the affairs of life, from telephones and all other complexities of modern civilization for as long a time as they may wish. Those recreational opportunities are there, and they are open to the public.

In my State alone, 72 percent of its area is owned or managed by the United States Government; and the people of Utah have to get along with what is left. We have to rely upon the remainder for purposes of taxation, and so forth, in order to maintain ourselves.

We have reached the limit of our water development. The only water left to us, for development and growth in the State, is the water of the upper Colorado. The Echo Park Dam is a key dam which is necessary for the successful operation of all the other dams we have, in order to make this entire project feasible.

Eighth. That the construction of the upper Colorado River storage project with all its units—at least a 50-year job—will be a great regional and national investment that will provide a great increase in homes, jobs, national tax income, and individual contentment, as well as provide a second line of civil and military defense for the Nation as a whole.

With reference to the last statement—that in regard to civil and military defense—I refer you to a statement made by Val Peterson, Federal Civil Defense Administrator, in his appearance before the Senate Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs.

This list, while impressive, does not include all the benefits that will come from a full realization of all the possibilities of the Colorado River storage project, for which I solicit the support of all Members of Congress.

Mr. President, I shall conclude by requesting unanimous consent that the following exhibits be made a part of the RECORD, following my remarks:

EXHIBITS

First. Authority for withdrawals pertaining to Dinosaur National Monument area.

Second. Letter to Senator ARTHUR V. WATKINS from Chairman Jerome K. Kuykendall, of the Federal Power Commission.

Third. Letter of December 13, 1934, from FPC Chairman Frank McNinch to Director Caemmerer, of the National National Park Service.

Fourth. Letter of November 6, 1935, from Interior Secretary Harold L. Ickes to FPC Chairman Frank R. McNinch.

Fifth. Letter of January 9, 1936, from FPC Chairman McNinch to Secretary Ickes.

Sixth. Proclamations of 1915 and 1938 pertaining to Dinosaur National Monument.

Seventh. Memorandum of March 16, 1955, to Senator ARTHUR V. WATKINS from the American Law Division of the Library of Congress.

Mr. President, at this point let me call attention to the fact that I submitted to the American Law Division of the Library of Congress a number of questions regarding the law involved; and I received, in reply, an opinion which supports the views I have expressed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

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

EXHIBIT No. 1

Authority for public-land reservations (withdrawals) applying to area included within Dinosaur National Monument, which were in effect in 1938 when the monument was extended, and which are in effect today:

WITHDRAWAL

1. Reclamation withdrawal of October 17, 1094. (Ordered b: Secretary of the Interior.)
2. Power site reserve No. 5, May 26, 1909 (Secretary of the Interior).
3. Power site reserve No. 42, August 27, 1909 (Secretary of the Interior).
4. Power site reserve No. 121, March 10, 1910 (Secretary of the Interior).
5. Power site reserve No. 721, July 11, 1919 (Secretary of the Interior).
6. Power site reserve No. 732, December 27, 1919 (Secretary of the Interior).
7. Power site classification No. 3, May 17, 1921 (Secretary of the Interior).
8. Power site classification No. 60, February 21, 1924 (Secretary of the Interior).
9. FPC project No. 524, August 4, 1924. (Order issued by Federal Power Commission.)
10. Power site classificaton No. 87, February 14, 1925 (Secretary of the Interior).
11. Power site classification No. 93, April 16, 1925 (Secretary of the Interior).

AUTHORITY

1. Act of June 17, 1902 (32 Stat. 388), section 3.
2. Temporary withdrawal made by the Secretary under the implied powers of his office. It was ratified and made permanent by Executive order of the President July 2, 1910, under authority of act of June 25, 1910 (36 Stat. 8).
3. Same as in 2 above.
4. Same as in 2 above.
5. Act of June 25, 1910 (36 Stat. 847), as amended by act of August 2, 1912 (37 Stat. 497).
6. Same as in 5 above.
7. Act of March 3, 1879 (20 Stat. 394), and act of June 10, 1920 (41 Stat. 1063).
8. Same as in No. 1 above.
9. Act of June 10, 1920 (41 Stat. 1063), section 24.
10. Same as in No. 7 above.
11. Same as in No. 7 above.

EXHIBIT No. 2

FEDERAL POWER COMMISSION,
Washington, D. C.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: This is in furtherance to the telephone conversation of February 11 between Mr. McGuire of your office and Mr. Divine of the Commission's staff concerning the status of the lands withdrawn for power site purposes in and about the Dinosaur National Monument, Colorado and Utah.

In reply to Mr. McGuire's inquiry as to the power value of the Green and Yampa Rivers as was discussed in Chairman McNinch's letters to Director Caemmerer and Secretary Ickes dated December 13, 1934, and January 9, 1936, respectively, the situation as summed up on those communications remains substantially the same as of this date. However, whereas those letters may be interpreted to indicate that a withdrawal of lands had been effected pursuant to the filing by the Utah Power & Light Co. of an application for project No. 279, an examination of available records at this time fails to show that such a withdrawal was made.

Mr. McGuire also requested that you be advised as to: What was the status of the power withdrawals on July 14, 1938, and what is their status at this time?

In answer to that inquiry, the following power site withdrawals were in effect July 14, 1938, as to lands now within the monument boundaries and no appreciable change has been made in them since that date:

Withdrawals: Power site reserve No. 5, May 26, 1909; power site reserve No. 42, August 27, 1909; power site reserve No. 121, March 10, 1910; power site reserve No. 721, July 11, 1919; power site reserve No. 732, December 27, 1919; power site classification No. 3, May 17, 1921; power site classification No. 60, February 21, 1924; power site classification No. 87, February 14, 1925; power site classification No. 93, April 16, 1925; Federal Power Commission project No. 524, August 4, 1924.

In response to the request for a sketch showing the extent of the power site lands within the monument area, I am attaching a copy of the topographic map of the Dinosaur National Monument upon which there has been superimposed the limits of the lands covered by each of the above-cited power withdrawals.

Sincerely yours,
JEROME K. KUYKENDALL,
Chairman.

EXHIBIT No. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D. C., August 9, 1934.

FEDERAL POWER COMMISSION,
Washington, D. C.

GENTLEMEN: We are studying the possibility of setting aside certain lands in northwestern Colorado as a national monument. The area considered is within the watershed shown on the map marked "Exhibit H9a," which accompanied an application of January 30, 1932, of the Utah Power & Light Co. for a preliminary permit, and which is on file in the Denver office of the Reclamation Bureau. The proposed monument would be affected by the Echo Park Dam site and the Blue Canyon Dam site, as indicated on the enclosed map of the proposed monument.

Such an area would be established by Presidential proclamation which would exempt all existing rights, and a power withdrawal is, of course, an existing right.

However, we feel that we should call this to your attention. If it is possible to release the power withdrawals that you now have in the area, our monument will be placed in a much better position from the standpoint of administration.

If you have any data or reports on this area we would appreciate very much receiving copies.

Very truly yours,
A. E. DEMARAY,
Acting Director.

FEDERAL POWER COMMISSION,
December 13, 1934.

UTAH POWER & LIGHT CO.

DEAR DIRECTOR CAEMMERER: Reference is made to Acting Director Demaray's letter of August 9, 1934, in which the Commission was advised that you were studying the possibility of establishing a national monument along the Green and Yampa Rivers, in northwestern Colorado, which would embrace lands withdrawn for the proposed Echo Park and Blue Mountain power developments included in the application for preliminary permit of the Utah Power & Light Co., designated as project No. 279.

Assurance was given in the letter that the Presidential proclamation establishing such a monument would exempt all existing rights, including power withdrawals, but a state-

ment was added that if it were possible to release the power withdrawals the "monument would be placed in a much better position from the standpoint of administration." This implied request for a vacation of the power withdrawal has called for careful consideration because of the magnitude of the power resources involved and the fact that the permit application is still in suspended status pending conclusion of the comprehensive investigation of irrigation and power possibilities on the upper Colorado River and its tributaries by the Bureau of Reclamation, and a more definite determination of water allocations between the States of the upper basin. The power resources in this area are also covered by Power Site Reserves Nos. 121 and 721 and Power Site Classifications Nos. 87 and 93 of the Interior Department.

In the application of the Utah Power & Light Co., the primary power capacity of the Echo Park site is estimated at 130,000 horsepower. This is based on the development of a head of 310 feet at the dam and a regulated flow of 5,000 c. f. s. obtained by storage in the proposed Flaming Gorge Reservoir on Green River and Juniper Mountain Reservoir on Yampa River. At Blue Mountain the primary capacity is estimated at 19,000 horsepower based on the development of 210 feet of head and a regulated flow of 1,100 c. f. s.

Ralf R. Woolley in his report on Green River and Its Utilization (Water Supply Paper No. 618, U. S. Geological Survey), proposes the development of 114,800 horsepower, primary capacity, at the Echo Park site, based on an average head of 290 feet and a streamflow of 4,950 c. f. s. At Johnson's Draw, which is his designation for the Blue Mountain site, Mr. Woolley proposes a primary capacity of 43,200 horsepower based on a regulated flow of 1,800 c. f. s. and a head of 300 feet. Either of these estimates would justify installations of something like 300,000 horsepower at Echo Park and at least 50,000 horsepower at Blue Mountain.

It is generally recognized that the Green and Yampa Rivers present one of the most attractive fields remaining open for comprehensive and economical power development on a large scale. Power possibilities on Green River between the proposed Flaming Gorge Reservoir and Green River, Utah, and on the Yampa River below the proposed Juniper Mountain Reservoir are estimated at more than 700,000 primary horsepower, which would normally correspond to 1,500,000 to 2,000,000 horsepower installed capacity. Excellent dam sites are available, and as the greater part of the lands remain in the public domain, a very small outlay would be required for flowage rights. The sites we are considering are important links in any general plan of development of these streams.

Regardless of the disposition which may be made of the Utah Power & Light Co.'s application, and giving due consideration to the prospect that some time may elapse before this power is needed, the Commission believes that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units in the center of the scheme. The Commission will not object, however, to the creation of the monument if the proclamation contains a specific provision that power development under the provisions of the Federal Water Power Act will be permitted.

I enclose a copy of the portion of the application of the Utah Power & Light Co. which describes the proposed development, and blueprints of exhibits H (a), H (b), and H (c) showing the location of the various units of the plan, river profiles, and cross sections of the dam sites. The Commission has no special reports on the area under consideration, but if you are not already familiar with them, it is suggested that you obtain the following publications of the Geological Survey:

Water Supply Paper No. 618 (previously referred to).

Plan and profile of Yampa River, Colo., from Green River to Morgan Gulch (5 sheets showing river profile and topography and 1 sheet of special dam site surveys).

Plan and profile of Green River, Green River, Utah, to Green River, Wyo. (16 sheets, 10 plans, and 6 profiles).

Yours very cordially,

FRANK R. MCNINCH,
Chairman.

EXHIBIT NO. 4

THE SECRETARY OF THE INTERIOR
Washington, November 6, 1935.

Hon. FRANK R. MCNINCH,
Chairman, Federal Power Commission,
Washington, D. C.

MY DEAR MR. MCNINCH: For some time the National Park Service of this Department has been studying the possibility of setting aside, as a national monument, certain lands in northwestern Colorado and northeastern Utah along the Yampa and Green Rivers. Enclosed is a map of the area.

The Utah Power & Light Co. filed an application in January 1932 for a preliminary permit for a power site reservation in the Yampa and Green River section. This application was on file in the Denver office of the Reclamation Bureau. Recently, however, the Utah Power & Light Co. voluntarily withdrew their application. This suggests that the power resources of the section may not be as important as originally believed.

I shall appreciate receiving your opinion as to the possibility of releasing the power withdrawals that exist in the area. By such action the proposed monument would be placed in a much better position from the standpoint of administration.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

EXHIBIT NO. 5

FEDERAL POWER COMMISSION,
January 9, 1936.

Utah Power & Light Co.

Hon. HAROLD L. ICKES,
Secretary of the Interior,
Washington, D. C.

MY DEAR MR. SECRETARY: Reference is made to your letter of November 6, 1935, in which you inquire as to the possibility of releasing the power withdrawals existing in the area along Yampa and Green Rivers, in Colorado and Utah, in which the National Park Service desires to establish a national monument.

The Utah Power & Light Co. did, as you state, withdraw its application for preliminary permit covering the power sites in this area in March 1935 but this withdrawal was not based on any reduced appraisal of the power resources. The action was taken because the Commission was unwilling to carry the application any longer in suspended status, and the growth of the company's power market did not justify the construction of any of the plants within the comparatively brief period which could have been allowed under the Power Act after the issuance of a permit. Nothing has occurred to change the status of the Power Commission withdrawal, or power-site reserves Nos. 121 and 721 and power-site classifications Nos. 87 and 93, which are also involved.

In reply to a similar request made by the National Park Service, a letter was sent to the Director on December 13, 1934, in which the power value of Green and Yampa Rivers was discussed in some detail and the position of the Commission was summed up as follows:

"Regardless of the disposition which may be made of the Utah Power & Light Co.'s application, and giving due consideration to the prospect that some time may elapse before this power is needed, the Commission believes that the public interest in this major power resource is too great to permit its impairment by voluntary relinquishment of two units in the center of the scheme. The Commission will not object, however, to the creation of the monument if the proclamation contains a specific provision that power development under the provisions of the Federal Water Power Act will be permitted."

Since receipt of your letter this whole subject has been given further study but no information has been developed to change the views of the Commission as expressed in the above quotation. For your further understanding of the Commission's position I enclose copies of my letter of December 13, 1934.

Yours very cordially,

FRANK R. MCNINCH,
Chairman.

EXHIBIT NO. 6

2. ESTABLISHMENT OF DINOSAUR NATIONAL MONUMENT

Dinosaur National Monument was established by Presidential proclamation, pursuant to the 1906 act, in 1915, and as originally established covered an area of 80 acres:

"PROCLAMATION OF OCTOBER 4, 1915 (39 STAT. 1752)

"By the President of the United States of America, a proclamation:

"Whereas in section twenty-six, township four south, range twenty-three east of the Salt Lake meridian, Utah, there is located an extraordinary deposit of dinosaurian and other gigantic reptilian remains of the Juratrias period, which are of great scientific interest and value, and it appears that the public interest would be promoted by reserving these deposits as a national monument, together with as much land as may be needed for the protection thereof.

"Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the power in me vested by section 2 of the act of Congress entitled, 'An act for the preservation of American antiquities,' approved June 8, 1906, do hereby set aside as the Dinosaur National Monument the unsurveyed northwest quarter of the southeast quarter and the northeast quarter of the southwest quarter of section twenty-six, township four south, range twenty-three east, Salt Lake meridian, Utah, as shown upon the diagram hereto attached and made a part of this proclamation.

"While it appears that the lands embraced within this proposed reserve have heretofore been withdrawn as coal and phosphate lands, the creation of this monument will prevent the use of the lands for the purposes for which said withdrawals were made. Warning is hereby expressly given to all unauthorized persons not to appropriate, excavate, injure, or destroy any of the fossil remains contained within the deposits hereby reserved and declared to be a national monument or to locate or settle upon any of the lands reserved and made a part of this monument by this proclamation.

"In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

"Done at the city of Washington, this fourth day of October, in the year of our Lord one thousand nine hundred and fifteen and the Independence of the United States the one hundred and fortieth.

"WOODROW WILSON.

"By the President:

"ROBERT LANSING,
"Secretary of State."

"PROCLAMATION OF JULY 14, 1938 (53 STAT. 2454), ENLARGING THE DINOSUAR NATIONAL MONUMENT, COLORADO AND UTAH

"By the President of the United States of America, a proclamation:

"Whereas certain public lands contiguous to the Dinosaur National Monument, established by proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest; and

"Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906 (ch. 3060, 34 Stat. 225 U. S. C., title 16, sec. 431), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public-land laws and added to and made a part of the Dinosaur National Monument:

* * * * *

"aggregating 203,885 acres.

"Warning is hereby expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

"The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification and for other purposes made by Executive Order No. 5684 of August 12, 1931, and the Executive order of April 17, 1926, and the Executive order of September 8, 1933, creating Water Reserves No. 107 and No. 152.

"The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled 'An act to establish a National Park Service, and for other purposes,' approved August 25, 1916, 39 Stat. 535 (U. S. C., title 16, secs. 1 and 2), and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Brown's Park Reservoir site in connection with the Green River project.

"In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

"Done at the city of Washington this 14th day of July, in the year of our Lord nineteen hundred and thirty-eight, and of the Independence of the United States of America the one hundred and sixty-third.

"FRANKLIN D. ROOSEVELT.

"By the President:

"CORDELL HULL,
"The Secretary of State."

EXHIBIT No. 7

THE LIBRARY OF CONGRESS,
Washington, D. C., March 16, 1955.

To: Senator ARTHUR V. WATKINS,
Attention: Mr. Jex.
From: American Law Division.
Subject: Dinosaur National Monument.

We regret that because of previously assigned work and the necessity to meet other deadlines, we have been unable to devote the time requisite to a complete answer to your questions. In response to the urging of Mr. Jex, we have stated below for your consideration the tentative results of our study. Preliminarily we quote and answer your questions as follows:

1. Are the conclusions of Committee Counsel George W. Abbott (Colorado River storage project hearings * * *. Committee on Interior and Insular Affairs. House * * * 83d Cong. * * * on H. R. 449, H. R. 4443, and H. R. 4463 * * * p. 719) acceptable? They are.

2. Did the 1938 enlargement of Dinosaur National Monument leave the power sites subject to the Federal Power Commission's withdrawal authority? We think it did.

3. Under the Federal Power Act, are management and control of the power sites reserved in the Commission? We think they are, especially in view of the Roanoke Rapids decision, *Chapman* v. *F. P. C.* (1953) 345 U. S. 153. The turning point in that case was that Congress had not withdrawn the jurisdiction of the Federal Power Commission to issue a license (pp. 156–172). The basis for the other answers will appear in the following presentation.

The act of March 3, 1921 (41 Stat. 1353–1354) provided: "That hereafter no permit, license, lease, or authorization for dams, conduits, reservoirs, powerhouses, transmission lines, or other works for storage or carriage of water, or for the development, transmission, or utilization of power, within the limits as now constituted of any national park or national monument shall be granted or made without specific authority of Congress, and so much of the act of Congress approved June 10, 1920, entitled "An act to create a Federal Power Commission; to provide for the improvement of navigation; the development of water power; the use of public lands in relation thereto; and to repeal section 18 of the River and Harbor Appropriation Act, approved August 8, 1917, and for other purposes," approved June 10, 1920, as authorizes licensing such uses of existing national parks and national monuments by the Federal Power Commission is hereby repealed."

The import of the words of this act, insofar as Dinosaur National Monument is concerned, is that it was to apply to existing national (parks and) monuments within their limits as then constituted. Dinosaur National Monument, as it then existed under the proclamation of October 4, 1915, consisted of, and was limited to, 80 acres. That is the area taken from the possible jurisdiction of the Federal Power Commission. This interpretation coincides with the codified versions later appearing in the United States Code.

The 1934 edition of the Code of * * * the United States * * * as published by the Government Printing Office carries a codification of the statute in the following language (U. S. C. 16:797):

"*Provided further,* That after March 3, 1921, no permit, license, lease, or authorization for dams, conduits, reservoirs, powerhouses, transmission lines, or other works for storage or carriage of water, or for the development, tranmission, or utilization of power, within the limits as constituted, March 3, 1921, of any national park or national monument shall be granted or made without specific authority of Congress."

This same wording appears in the 1925 Code of * * * the United States * * * (44 Stat. part 1) and in the note U. S. C. A. 16: 797. While the act of March 3, 1921, has some bearing as an indication of congressional policy at that time, we perceive of no present applicability to the monument in dispute. Its present status appears to be that of a dangling provision of law specifically saved from repeal by the proviso of section 212 of the amended Federal Power Act of August 26, 1935 (49 Stat. 847). See hearings * * * page 729. This points up and narrows we believe the conclusion on page 730 by Mr. Abbott. It indicates that the act was limited to parks and monuments "as constituted" on March 3, 1921.

We do not know the relative standing of the present Dinosaur National Monument area among the great scenic regions of the earth and we do not intend to assume a position bearing on the merits of conservation or reservation in this instance. We do know that the area is still Dinosaur National Monument. It is neither Echo Park National Park nor is it even Echo Park National Monument.

The standard established by Congress for the establishment of a national monument is "the smallest area compatible with the proper care and management of the objects to be protected." This was 80 acres under the proclamation of October 4, 1915, and it apparently sufficed for nearly 23 years for the protection of "an extraordinary deposit of Dinosaurian and other gigantic reptilian remains of the Juratrias period." As an existing national monument on March 3, 1921, its area was withdrawn from the jurisdiction of the Federal Power Commission with the 80-acre limits as then constituted. When the reservationists sought enlargement of the monument, there was unyielding opposition by the Federal Power Commission to the inclusion of certain damsites, and an agreement was reached or at least an arrangement made, which obviously was intended to reserve the sites or at least the authority of the Federal Power Commission with respect to power sites. The new boundaries of the monument were otherwise described by sections, surveyed, and unsurveyed.

It is to be presumed that the President did not intend a nugatory act when he included in the proclamation of July 14, 1938 (53 Stat. 2454), the exception "that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for Brown's Park Reservoir site in connection with the Green River project." As a matter of hindsight, perhaps it would have been preferable to designate specifically the power-site reserves. However, it is our understanding, after perusing the hearings and materials submitted, that there were a number of favorable sites and variant possibilities for locations, and therefore the exception was made in general language by reference to the Federal Power Act.

We have presumed that the President did not intend a nugatory act. Courts frequently have indulged in such a presumption with respect to legislative and other acts. A court is not always confined to the statutory written word. Construction is sometimes to be exercised as well as interpretation. *U. S.* v. *Fareholt* ((1907) 206 U. S. 226, 229). In dealing with Congress, judges are not to be curious in nomenclature if Congress has made its will plain, nor allow substantive rights to be impaired under the name of procedure. *Atlantic Coast Line R. Co.* v. *Burnette* ((1915) 239 U. S. 199, 201). Every legislative enactment is to be given effect if possible (ut res magis valeat quam pereat), "that the thing may rather have effect than be destroyed." *Unity* v. *Burrage* ((1880) 103 U. S. 447, 457). Even where the construction of a deed is doubtful, courts will always prefer that which will confirm to that which will destroy any bona fide transaction. *Griffith* v. *Bogert* ((1855) 18 How. 158, 163). It would be harsh, indeed, and not consonant with accepted practice, to hold that an administrative act, having standing similar to a legislative act, was not entitled to the same considerations in its interpretation or construction as a legislative or even private act.

We indicated earlier that under section 2 of the act of June 8, 1906 (34 Stat. 225; U. S. C. 16: 431) the President is authorized, in his discretion, to reserve as national monuments "parcels of lands, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected." It is our understanding that the President also is authorized to reduce the area of a national monument. Op. Sol. July 21, 1947, M-34978 (60 I. D. 9–10.) If this is so, can he

not establish or enlarge a monument subject to limitations or reservations? We think he can.

We do not know the extent, number, or the exact status of the power site reserves within the extended boundaries of Dinosaur National Monument. We assume that they come within the purview of section 24 of the Federal Power Act (U. S. C. 16: 818) and remain reserved under the jurisdiction of the Federal Power Commission until otherwise disposed of by the Commission or by Congress. Indeed, it has been held by the Interior Department that the language of the Federal Power Act is clear and decisive. "Under the first sentence of section 24, the mere filing of an application for water-power privileges operates automatically to withdraw water-power sites from entry, location, or disposal under other laws 'until otherwise directed by the Commission or by Congress.' It is clear beyond question that the jurisdiction of this department over any lands of the United States included in any proposed project under the provisions of said act automatically terminates upon the filing of an application therefor with the Federal Power Commission, and this department has no further control of the lands until and unless jurisdiction is restored by the Commission or by Congress." Nevada Irrigation District (on rehearing) (June 4, 1908) 52 L. D. 377, 378.

In view of the nonapplicability of the act of March 3, 1921, and the reservations existing at the time of the amendment of the Federal Power Act of August 26, 1935 (see the letters of the Chairman, Federal Power Commission dated Dec. 13, 1934, and Jan. 9, 1936, * * * Hearings * * *, pp. 728 and 731) we do not see how these sites could have been included in Dinosaur National Monument on July 14, 1938, except either by a release by the Commission or by an act of Congress. We have found neither.

It is true that the definition of "reservation," as enacted in section 201 of the Federal Power Act of August 26, 1935 (49 Stat. 838; U. S. C. 16: 796 (2)) excluded national monuments and reservations. The provision was explained as follows:

"The definition of the former term ('reservations') has been amended to exclude national parks and monuments. Under an amendment to the act passed in 1921, the Commission has no authority to issue licenses in national parks or national monuments. The purpose of this change in the definition of 'reservations' is to remove from the act all suggestion of authority for granting of such licenses." (H. Rept. 1318, 74th Cong., p. 22.)

However, we have already shown that the power sites were not, indeed could not be, included in the Dinosaur National Monument, and there is nothing in this definition which changes that status.

Mr. WATKINS. In addition, Mr. President, let me say that if it were possible to do so, I would have today's RECORD include maps "A" and "B," which I have exhibited today to the Members of the Senate. These maps show areas on the Green and Yampa Rivers reserved for power development prior to the 1938 extension of the Dinosaur National Monument, and in effect today.

Mr. President, during the colloquy I had with the Senator from Arizona, I referred to a statement by Mr. J. LeRoy Kay, curator of Vertebrate Paleontology, of the Carnegie Museum, at Pittsburgh, Pa. His statement is very illuminating. In 1954, he submitted it to the Senate committee which was holding hearings on the bill then before the Congress. That committee had the benefit of Dr. Kay's very wonderful testimony; and I wish to point out that it was printed in the RECORD on March 23, 1955, beginning on page 3524.

Mr. President, I yield the floor.

During the delivery of Mr. WATKINS' speech,

Mr. GOLDWATER. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I yield.

Mr. GOLDWATER. Mr. President, I am sorry that I missed most of the speech of the Senator from Utah. I wanted to ask him a question. I wonder if the Senator recalls Black Canyon and Boulder Canyon, two very picturesque canyons, which were very difficult of access before the construction of the Hoover Dam?

Mr. WATKINS. I recall them very well.

Mr. GOLDWATER. The reason why I asked the question is that the situation now being discussed is closely akin to that which existed prior to the construction of Hoover Dam. Black Canyon and Boulder Canyon are two of the most beautiful and awe-inspiring canyons in the Nation. I would say that fewer than 25 persons a year visited there prior to the construction of Hoover Dam. The area has been visited by an increasing number of persons each year.

Mr. WATKINS. I think the number runs into the millions.

Mr. GOLDWATER. In fact, I may inform the Senator and the Senate that approximately 2½ million persons were able to visit this heretofore inaccessible area. I am sure the Senator realizes that the Yampa River, the Green River, and Echo Park are almost impossible to reach by boat or by automobile. The reason for the construction of the dam in this recommended situation is so that millions of American people will be able to visit this beautiful section of the country each year.

Mr. WATKINS. I realize that. There was a witness before the committee when we were holding hearings on S. 500 by the name of Dr. Kay, of the Carnegie Museum in Pittsburgh. He had worked for many years in the Dinosaur area. He had visited the Echo Park site and had been up and down the canyon. It was his opinion that it would be better by far for the benefit of the park and the monument itself to build the dams than not to build them, because he said it would give an opportunity to all the people of the United States to see this wonderful scenery. The only way people can now visit it is to take a boat and go down with a limited company. There has not been an average of 120 persons a year visiting the canyon areas in the past 20 years.

Mr. GOLDWATER. If we gave history the benefit of the doubt we might expand the number to 500, but that would cover only the years since the war. As the Senator from Utah knows, I have on several occasions visited the area both by boat and afoot. I have very deep interest in the subject.

I wonder if the Senator from Utah would permit me to refresh his memory by going back to the hearings on the Colorado River storage project. The testimony to which I refer is found on page 298 of the published hearings.

Mr. WATKINS. Of the Senate committee?

Mr. GOLDWATER. Yes. They are out today. I doubt if the Senator has seen a copy.

I also wish to invite the Senator's attention to a statement made by Mr. John Grounds, and I wonder if the Senator would permit me to read the letter which I received from Mr. Grounds this morning.

Mr. WATKINS. I shall be glad to do so.

Mr. GOLDWATER. Mr. Grounds is a very prominent cattleman in Arizona. He was born in Utah within the area about which we are speaking, and he has lifelong intimacy with the problems we are discussing today. He wrote me as follows:

Nearly 100 miles from the Denver & Rio Grande Western Railway, terminating at Craig, Colo., in a westerly direction and almost an equal distance from the Union Pacific Railway at Rock Springs, Wyo., to the south, lays a country known to a very few people but discussed by many.

When we mention Echo Park Dam and Dinosaur National Monument we know right where we are, on paper.

The dusty, rocky, rough roads are out of the question for the public and once you do finally get to the canyon area in the Dinosaur Monument, where 1 of the 2 or 3 rocky roads end, you are there and no further, unless you have boats and expensive equipment to run rapids and make portages around white water. Even trails end in these canyons. It is possible to travel on foot along these river canyons in the winter when the rivers are frozen but going is extremely hazardous and the rapids never freeze.

There are many fine views of the canyons from the top of the walls but it may take days to get to one of them.

About 200,000 acres of this rugged country, unchanged by man, is in the Dinosaur National Monument but what good is it if the public doesn't get to see it? We can read literature that states that as many as 12,000 people saw the Dinosaur Monument last year. By all means, let us get this statement clear. Twelve thousand people probably did register or visit the Dinosaur excavations at the headquarters of the monument but that is many miles below the Echo Park Dam site and out of the canyon country. Only a few dozen people a year see the great Lodore and Yampa Canyons.

Can it be true that the thousands of people writing to their Senators and Congressmen to block the Echo Park Dam really wish to see the great water and power potentials continue to go unused when millions of people could benefit by this dam? These very people will probably never know or see the wonders and sights of the Dinosaur Monument if the dam isn't built. Then, what is the point gained by all the letters pressuring our Congressmen to abandon this project? Are we to waste all this power and water and the prosperity that goes with it? Is this what conservationists mean when they say "conserve"? Surely these groups of people do not understand this particular situation and the cards, letters, and pamphlets mailed out to the public should be considered from this point. I have in my possession literature on and from the following groups: American Planning and Civic Association, Izaak Walton League, National Parks Association, Wilderness Society, the National Wild Life Federation, the Forest Conservation Society, the Sierra Club, Colorado River Association (306 West Third Street, Los Angeles, Calif.).

All of these organizations constantly working on the unorganized public are sure to

arouse much undue resentment from well-meaning citizens.

The group at the foot of the mentioned list—

And Mr. Grounds there is referring to the Colorado River Association—

must not be classified with those who are misinformed or uninformed, but linked with those who have done everything in their power to stall and disrupt progress of their neighboring States who attempt to bring about a diversion of the waters of the Colorado River.

To sum up the water controversy between the State of California and other States participating in the Colorado River Compact, most people figure this way. How much water is contributed by the State of California to the Colorado River? Next, how much water does California call her "rightful share"? Most people develop an intense hatred against the State of California for their actions and tactics on this controversy.

Surely, it is not the entire great coastal State of California that is upholding this one-sided measure, but, rather, a small southern portion of the State armed with a battery of opportunities for attorneys.

Are we going to allow six Western States to be deprived of their rights for the sake of a small part of 1 State that is attempting to gain a water right by stalling for time so that they may develop a usage they can call a right?

In the event of enemy nations resorting to atomic warfare should be ample reason to distribute our progress and improvements more evenly among other States and areas so as not to make any one spot a too likely a target and also to develop other more remote lands to an extent that refugees could be cared for. Population as well as factories must be dispersed.

Any further stalling of the Colorado River development plan can no longer be looked on by the people of the Western States as a trial or a case being fairly argued. If the points involved cannot be settled now, we all are going to want to know the reasons.

JOHN GROUNDS.

VALENTINE, ARIZ.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk three amendments which I intend to propose when House bill 1 comes before the Senate. I now ask that the amendments be printed, so as to be available when that bill is taken up, after it is reported from the Finance Committee.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance.

Mr. JOHNSTON of South Carolina. Mr. President, the Senate Finance Committee now has under consideration H. R. 1, which passed the House of Representatives on February 18, 1955. This bill has for its purpose the extension of authority to the President of the United States to enter into certain trade agreements, and for other purposes. The bill contains certain provisions to which I have fundamental objections. A few minutes ago I sent to the desk certain amendments which I intend to propose to House bill 1. The purpose of the amendments is to overcome these basic objections and to cure the obvious defects of that bill.

The proponents of H. R. 1 are contending that its provisions in effect call for a 3-year extension of the President's authority to enter into trade agreements with the power to reduce or increase existing tariff rates to the extent of 5 percent annually for the next 3 years. If this in fact is true, and if one could be assured in its administration of such a fact, there might be no necessity for the amendments I have sent forward. My experience here, however, has taught me that in the final analysis of things and in the administration of many acts of Congress, not always are the stated purposes realized. Oftentimes, administrative rules and regulations which thwart the will of Congress are issued. Oftentimes the courts construe our acts to mean what we ourselves never intended them to mean.

Mr. President, the real purpose of the amendments I have sent forward today is to protect the cotton textile industry, particularly, against the contingencies of bad administration which can very well and may very well happen with disastrous results, not only to labor but to management itself. I do not propose at this time to address myself at length to the real reasons for the provisions of these amendments, as I am hopeful that the Finance Committee may report a measure which will meet with my approval. The Senate and the country, however, must be alerted against the possible dangers lurking in the loose language and certain loopholes which I see in H. R. 1. No opportunity ought to be presented now for the doing in the future of an irreparable injury to the cotton textile industry, one of the basic industries in South Carolina, nor to the hundreds of thousands of employees whose daily livelihood would be affected by it. My own specialized knowledge of and close association since childhood with the cotton and textile industry afford me a better background to speak out now than has been the case with many other Senators.

Mr. President, my mail has been heavier on the present pending measure, H. R. 1, than on any other subject since I have been a Member of the Senate. The thousands of appeals which have reached me from employees and laborers who fear their jobs will be placed in jeopardy by such legislation have made a profound impression upon me. The industry, whose investments may be at stake, let it be noted, is likewise alerted to the dangers that confront it. My sympathy is with management and the workers alike in the predicament which they face in the cotton textile industry, because of the loose, elastic language and the uncertainties lurking in H. R. 1.

The amendments which I am submitting today would make more certain the character of administration which we should anticipate, and would render less hazardous the means of livelihood of those engaged in it. I am dedicated to the purpose of securing continuing benefits for those whose daily bread depends upon steady employment at fair wages, the laborers in the cotton fields and in the cotton mills. If the mills suffer for lack of an adequate market, then labor, too, will suffer.

Let me digress for a moment to point out that much criticism has been directed to the position I have consistently taken on the floor of the Senate in opposing our foreign aid programs, which I have called our giveaway folly. There are those who are now beginning to realize that the fundamental objections which I have urged through all these years may now affect them. I have never felt that we possessed the strength to spread safely our economic aid all around the world and at the same time maintain our own economic strength and standards of living at home. It is as simple as that to me. Our economic strength has never justified the wanton and reckless wasting of our substance in all the areas of the world. Regardless of the percentage of our own economic strength, all must eventually realize that 6 percent of the world's population cannot compete with the remaining 94 percent. However splendid and beautiful and seemingly righteous the hope that we can perfect the working conditions of mankind everywhere, we ought to recognize, if we are at all realistic, that we cannot attain this desirable condition by our efforts alone. When we weaken ourselves economically, we weaken ourselves militarily and destroy the high standards of living we have set at home.

The theorists, the economists, and many who are capable of talking out of both corners of their mouths have yet to satisfy me that we can by weakening our own economic condition save the whole wide world. I will go along with these programs just so far and no farther. I do not want to see the United States—and, so far as I can prevent it, the great industries of the South—leveled off or sunk for the benefit of others to whom I have no personal obligation or duty to protect.

Look at the condition of the textile industry for a moment. I refer to the fact that the percentage of sales and profits on sales after taxes have already declined in the textile industry. They were about 3.8 percent in the aggregate for the periods of 1950, 1951, and 1952. In 1953 the percentage dropped to about 2.1. For the first three quarters of 1954, the percent of profits has dropped to the dangerously low level of .09. Some may call this narrowness on my part, but with me charity begins at home. Commonsense, prudence, and realism should be our constant guides. The one-worlders' program has never excited my religious devotion because in most respects such idealism is impracticable.

Let me be specific for a moment. There are certain negotiations now in progress at Geneva the outcome of which can and will vitally affect the cotton textile industry in South Carolina and the great mass of my former fellow-workers in the cotton mills. These pending negotiations are before the International Organization known as GATT, which means "General Agreement on Tariffs and Trade." This organization is one of those created by an Executive agreement. Its provisions have never been submitted to the Senate for confirmation. They never will be. To submit the destiny and welfare of the laboring people or their bosses to the tender mercies of the representatives of about 36 other nations and

the diverse interests thus resulting is asking more than I, personally, am willing to give. In addition, it is the sole constitutional function of Congress to regulate commerce. To permit a foreign group, by whatever name called, to have control over the American commerce is an abdication of our Constitutional responsibility in the Senate. Congress must not kill the goose that lays the golden eggs, however large or small the eggs may be.

Until the negotiations at Geneva are concluded and their terms fixed and made known to us, it is unwise and unfair to the workers and businessmen of America to submit their welfare and the future determination of their relative rights to any foreign group in which we have only one voice. We must fix and maintain their rights here and now. To me it is self-evident and obvious that the date of July 1, 1955, as a pivotal starting point for the reduction or increase of tariff rates is hazardous. It is my solemn conviction that January 1, 1955, a date on which we know what conditions were, should be substituted for July 1, 1955, in the provisions in H. R. 1.

One of my amendments has to do with the elimination and clarification of some very loose language now employed in H. R. 1. Ever since I became a Member of the Senate it has been my conviction and contention that we should not delegate our legislative functions. I have always sought to maintain the position that the lines of separating the authority of the legislative branch, the judicial branch, and the executive branch of our Government should be more clearly marked. I do not believe that the legislative branch is capable of administering a law; by the same token, I do not believe that the executive branch should be delegated a legislative function. That has been the basis of my objection and will continue to be the basis of my objections to all judicial legislation. I shall continue to insist as long as I am here that the policy of our Government must be determined by the Congress, and not by the judicial branch or the executive branch. We cannot follow the administration of every act of Congress after we pass bills; the day-by-day task is too much for us. We can, however, by a correct choice of words and by a prudent selection of language, make more reasonably certain that our intent in passing legislation is not thwarted in its administration. The language in paragraph ii, subsection d, of section 3 is quite loose and leaves too much for future determination or arbitrary interpretation. I find in it the words "normal" and "negligible." "Normal" and "negligible" are relative terms, leaving too much discretion to the future, too much to be interpreted at the behest of those who administer them—so far as this particular piece of legislation is concerned, and can very easily in reality become a travesty on both labor and management in South Carolina. I have believed and urged consistently for a fair margin of profit for industry and for labor's share in that profit. To assure continued and better working conditions, fair wages, a higher standard of living, labor's just rewards, and a fair margin for industry, I think these elastic and undefined terms "normal" and "negligible" should be stricken from the pending bill. Conditions may develop in the future, and too many varying minds and other dependent happenings may be brought into play to satisfy my doubts; hence, the statute should be pinpointed now to eliminate the elasticity these two words permit.

For all these reasons, and for the greater reason that none of us can predict what the future holds, I have submitted another amendment.

The "escape" clause and "peril-point" provisions of existing law are yet in the main untried in their application. There have been 59 applications for relief before the Tariff Commission; in 15 of these cases, although the Tariff Commission has found injury or threat of injury to industry or labor, the President of the United States has taken action in only 5 cases. This is the result for the simple reason that the President may take into consideration other factors which a particular industry or segment of the industry is given no right to answer.

Until we proceed a little further and invest the Tariff Commission with the power to hear all the factors and bind the President to follow them, I contend too much latitude is given one man and too little opportunity to answer is given those who may be adversely affected in that individual's decisions. I do not wish to see the cottonmill workers in South Carolina out of employment nor the industry exposed to the dangers and uncertainty of subparagraph E of H. R. 1 now pending before the Finance Committee. This result could very well be disastrous from top to bottom.

Suffice it for the moment to say that we must never forget our own people in both labor and industry when we revel in our ability to scatter their economic substance to the four winds of the heavens.

RECESS TO WEDNESDAY

Mr. STENNIS. Mr. President, so far as the Senator from Mississippi knows, no other Senator desires to speak today. Inasmuch as it is understood that the Senate will recess until Wednesday, I move that the Senate now take a recess until Wednesday at 12 o'clock noon.

The motion was agreed to; and (4 o'clock and 35 minutes p. m.) the Senate took a recess until Wednesday, March 30, 1955, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 28, 1955

The House met at 12 o'clock noon.

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

Almighty God, we beseech Thee to look upon us with divine favor and inspire us with fidelity and fortitude as we enter upon the duties and tasks of this week.

Daily we need Thy guiding and sustaining presence and power, for we are challenged by responsibilities which are far beyond all finite wisdom and strength.

Help us to affirm with increasing courage and confidence our faith in Thee and in the ultimate triumph of righteousness and justice for Thou hast placed us in a moral universe.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, March 24, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1. An act to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; and

S. 67. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4259) entitled "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55–11.

TAX RATE EXTENSION ACT OF 1955

Mr. COOPER submitted a conference report and statement on the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption.

BANK HOLDING COMPANIES

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an address.

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

There was no objection.

Mr. SPENCE. Mr. Speaker, our able and distinguished Speaker of the House of Representatives addressed the dinner meeting of the Independent Bankers Association convention in Washington on March 26. He made a very clear and convincing argument against the dangers of the concentration of economic

power and the evils that may arise from the operation of uncontrolled and unregulated bank holding companies controlling the money and credit of the Nation and also unrelated businesses. He unequivocally endorses H. R. 2674, a bill which I have introduced and which has the enthusiastic support of the Independent Bankers Association. Hearings have been concluded on this bill by the Committee on Banking and Currency. We expect to go into executive session after the recess and hope to report a bill which will be passed without delay by the Congress.

The address referred to follows:

REMARKS OF SPEAKER SAM RAYBURN BEFORE THE CONVENTION OF THE INDEPENDENT BANKERS ASSOCIATION, WASHINGTON, D. C., MARCH 26, 1955

Mr. President, officers, directors, and members of the Independent Bankers Association of America, and their guests, let me assure you that I am most grateful for the opportunity to be here and speak to you this evening. I believe no group has made a more vital contribution to the development and maintenance of our free competitive economy than the local independent bankers of this Nation. Our free competitive economy in turn has, without doubt, been the chief cornerstone on which this country has perfected the foremost system of political and individual liberty ever known to mankind.

The local independent bank is an ideal small-business enterprise. Local people get together, invest their own capital, select their own management, and solicit the deposits of the community in which they are located. They then take those deposits and put them out to work for the benefit of the people living in that community. I am certain I do not exaggerate when I state that the importance of the economic and social role of the independent banker in a democratic society ranks second to none.

Today, as throughout our history, there are those who disparage the role and importance of not only the small independent bank but that of all small-business enterprises as well. Once again, during the past 2 years, we have witnessed the complete triumph of the big banker-big business combine. The present administration, far from opposing the increased concentration of economic power in any area, has condoned and even encouraged it. This, of course, is not the first time that the forces of monopoly have marched forward to victory under the protective cover of a friendly administration in Washington.

The history of the past 60 years has seen the development of monopoly, from trusts, to holding companies, to corporate mergers, and back to holding companies, with an ever-increasing concentration of financial control in the background. We seem to be in the throes of the third great forward surge of monopoly in the history of our country. The last two such movements ended in catastrophy for the Nation, accompanied by serious loss of our national wealth, and grave waste of our human resources—consequences that are not lightly to be dismissed. Let me remind you that the last great merger movement was characterized particularly by the pyramiding of control through holding companies in the public utility industry. That is significant.

The daily press tells us American business is once again combining, uniting, grouping and regrouping, merging and remerging.

You all know about the acceleration of mergers and the spread of holding company control in your own industry. Competition as a way of life is under constant attack and small, independent, and locally owned and managed business is on the decline.

The importance of a thorough review of monopoly developments today has been shown in the testimony concerning the well known Dixon-Yates contract. It was emphasized in the testimony of Arthur E. McLean, president of the Commercial National Bank of Little Rock, Ark. Pointing out that he was no opponent of private utilities, he stated that his sole purpose "is to stop the greed of a few of the utilities who will destroy themselves if they do not act with moderation." He added: "I do not want to see a return to some of the things that took place 20 years ago." He went on: "Some of you here may remember back in 1929 when shares of the Electric Bond & Share went to over $600. You probably will recall the days that followed. There were days when people were ruined, when they jumped from tall buildings, and when they committed suicide * * * and in my opinion moderation should come in, and those days should be avoided again."

What does a holding company do? How does it operate?

When we were conducting hearings on the Public Utility Holding Company Act back in 1935, we found they were used to take the control and direction of these local companies away from those who had built them and place that authority in a city often times far removed. Through the simple device of pyramiding, a small investment by those in control of the top holding company enabled them to do as they liked with hundreds of millions, and in some instances even billions, of other people's property.

In one system the pyramiding went so far as to pile one company on top of another until there were 10 corporations in the pyramiding, with the local operating company 9 companies removed from the corporation at the top which controlled it, along with hundreds of others. In this particular setup an investment of $1 at the top enabled the managers of the top to control over $30,000 of book value of the operating companies, or with less than $50,000 to control over a billion dollars of book value. In another setup by an investment of about $23,000 at the top of the pyramid book values of $1,200,000,000 were controlled. This pyramiding, supplemented by the use of service contracts and sometimes other practices, made for a concentration of management that was staggering to the imagination.

In one office building in New York City those in charge of a paper holding company, with a very small investment and scarcely any risk of their own capital, were able to control hundreds of operating companies scattered clear across the United States. They were able to say to those operating companies what they should buy, from whom they should buy, at what price, and with whom they should engage services and contract for supplies. They would appoint someone in the top company or in one of their service subsidiaries to be secretary of many of the important operating companies. We found one case in which a man was secretary or an officer in more than 200 corporations.

The holding company also lent itself to the abuse of paying its officers high salaries and bonuses.

The whole country was aroused by the spread of holding company control in the 1920's, but State governments stood helpless in the presence of these supercreatures. Whole States were served with power, with gas, with transportation by operating companies in the charge of employees who had no authority, no independence of judgment. The people who complained of the high rates charged or of the quality of the service had to carry their complaints to the man who had no authority to act, who had to get on the telephone or write a letter to New York City, who was subject to removal by those in the top companies without notice, and who was frequently transferred from one part of the country to another.

The holding company had developed to where control was exercised through a maze of intercorporate relationships, impossible of understanding by the ordinary man.

One holding company, Electric Bond & Share, controlled so many operating companies that the grand total value of the properties of all of the companies in that system amounted to $3 billion, scattered in 32 States. That is, just one holding company dominated one-seventh of all the property operated by electric-light companies.

And then the big banking houses controlled the holding companies which controlled the operating companies. One big banking house, through a company called United Corp., had an arrangement by which 8 or 10 of these big holding companies were tied together, so that more than one-fourth of the electric-light companies in the entire United States were subject to a single banking influence.

These holding companies served no warrantable economic purpose. They simply helped promoters to wrest illegitimate profits from an unsuspecting and inexperienced public from whom vital information had often been withheld.

The Democratic administration, upon taking office in 1933, recognized that public protection against holding company abuses was essential. It proposed legislation to curb them. Apart from the unscrupulous financial exploitation which characterized holding company pyramiding, we were determined to protect the local community's right to exercise power, authority, and management over its local businesses.

As I stated on June 27, 1935, in the debate on the Public Utilities Act:

"What I want to do is to break up these sprawling empires, so wide and so big that the law of diminishing returns begins to operate. Instead of taking power, authority, and management away from the local communities, I want to take it away from the Insulls in Chicago, and give it back to the communities of this country where it belongs."

In retrospect I can see we did not adequately appreciate that the same undermining of local community control could develop in the banking industry as had developed in the electric utility industry.

Moreover, I was assured then that the Clayton Antitrust Act already gave the Federal Reserve Board adequate authority to curb holding company expansion in the commercial banking system. As you know, the Supreme Court held otherwise in the Transamerica case.

As I noted earlier, the late twenties was a period of expansion, mergers, and speculation. In almost every field there was great rivalry to be the biggest. Banking was no exception. When the possibilities of growth by absorbing competitors had been fully exploited, other means were sought. Stopped by Federal and State laws from branching out into other areas, ambitious bank promoters turned to the holding company device, which was working so successfully in the public utility field. So bank holding companies began to spring up in States that prohibited branch banking. The organization of one holding company under the sponsorship of a bank usually led to the formation of another by its principal competitor, which felt it must do so to maintain its competitive position. Other rivals sometimes followed suit. The Federal Reserve Bulletin of February 1938 reveals that on December 31, 1931, there were 97 bank holding companies in existence, an average of more than 2 for each State.

In 1927 Congress enacted the McFadden Act which limited branches of national banks. Following the enactment of this act, several holding companies became active

in acquiring banks beyond the areas in which banks were permitted to have branches—even to acquiring banks in a number of States. By 1929 there developed a tidal wave of such companies, "with new ones being reported almost daily," as the then chairman of the House Committee on Banking and Currency declared in 1930.

Let us look at one typical case. Formation of the Northwest Bank Corp. was announced January 9, 1929, and it is reported to have started with a paid-in capital of only $1,000. By exchange of stock, it quickly acquired a great many banks.

By September 14, 1929, a little more than 8 months after its inception, it had acquired banks in its home State of Minnesota, Iowa, Wisconsin, the Dakotas, Montana, and jumping across Idaho, had reached all the way to the Pacific coast State of Washington and acquired banks 1,500 miles from its main office. The terrific expansion of this company was paralleled by others—with one Pacific coast organization becoming a principal stockholder in a bank thousands of miles away.

More and more the control and direction of local banks and the power and authority over the use of local financial resources were being taken away from those who had built them up. Control and power were placed in the big cities miles removed from the local community.

The administration at that time not only failed to oppose but actually encouraged this trend. In 1930 and in 1931, the Comptroller of the Currency under President Hoover appeared before the House Committee on Banking and Currency and before the Senate Committee on Banking and Currency to recommend new banking legislation respecting our national banks.

What was the purpose of these recommendations?

I quote from the 69th annual report of the Comptroller of the Currency submitted to the Congress December 7, 1931:

"In brief, the purpose of the legislation recommended is to supplement our system of unit banking by permitting the larger and better-managed city banks to carry on banking operations in the surrounding rural communities by means of branch offices" (p. 1).

What evidence did the Comptroller of the Currency offer to show that the city banks were "stronger and better-managed" than the independently owned unit banks outside the large metropolitan centers?

He said:

"With few exceptions the banks in the large cities, which may be properly classified as metropolitan banks and which hold the bulk of the deposits in our banking system, have continued to demonstrate their soundness and strength throughout the entire decade which we have under consideration including the depression years of 1930 and 1931.

"* * * a comparison of the metropolitan banks with the small unit banks shows an overwhelming percentage of failures in the latter class and clearly indicates that our present banking problem is one that concerns primarily and fundamentally the rural communities and which cannot be automatically solved by the return of general prosperity" (p. 2).

Of course, the gentlemen did not want to embarrass the Hoover administration by citing the ruinous agricultural policies of the Republican Party during the 1920's. Consequently, he did not explain the connection between the farm depression which began in 1921 and the failure of more than 5,000 independent rural unit banks which occurred in the 8-year period prior to the stock market collapse of 1929 and the ensuing economic depression.

However, apart from this omission his conclusions about the fundamentally stronger and better-managed metropolitan banks were, to put it mildly, somewhat premature.

You all remember what happened in 1931 and 1932. More State and national banks closed in 1931 and 1932 than in any other like period in the history of banking in this country.

It is interesting to note that the two largest national banks which have failed in the history of the Comptroller of the Currency were bank holding companies, the so-called strong and well-managed metropolitan banks which the Comptroller of the Currency under President Hoover referred to in its 69th annual report.

The First National Bank of Detroit was the largest national bank to fail in the history of the Office of the Comptroller of the Currency. Its deposits when it closed its doors on February 21, 1933, were $373,360,000.

The Guardian National Bank of Commerce at Detroit was the second largest national bank ever to be placed in receivership. Its total deposits at closing were $108,103,045.

In 1930 the head of the Guardian National Bank of Commerce of Detroit had appeared before the House Committee on Banking and Currency and boastfully told of the new era that had been brought to the Detroit area through acquisitions by holding companies of carefully selected, well-managed, and strong banks. Within a matter of only a few months, both the Guardian and the Detroit banks began to totter. In 1933 these 2 vast financial empires lay in ruins—297 controlled bank and branch offices; $785 millions in deposits. The scars of those disasters may still mark the lives of millions.

The storm which had been gathering for several years broke in full fury in March 1933, and it was the unanimous opinion of the leaders of both political parties, as well as of the foremost men of finance in the country, that all the banks in the Nation should be closed, and they were closed.

It was the intention of the new administration that only sound banks should be reopened after the banking holiday.

As you know, after the banking holiday, steps were taken to place the Nation's banks on a sounder economic footing. The financial resources of the RFC were used to restore the imposed bank capital. The FDIC was established guaranteeing all deposits up to $5,000. Creditors of insolvent banks received a very large percentage of the total deposit liability at the time of the banks' closing.

The period since 1934 has been one of great economic expansion and the creation of much new wealth and financial resources.

Since 1934 our population has increased about 35 million. The gross national product has increased from $86 billion to $360 billion. Bank debts to demand deposit accounts have risen from $700 million to nearly $2 billion.

However, during this period of unprecedented population increase and industrial and financial growth there has been a net shrinkage in the total number of active banks. In 1935 we had 16,053 active banks. This number dropped steadily until a low of 14,598 was reached in 1945. Since then we have had only a slight increase in the number of active banks.

Not only has the number of active banks declined but the growth of bank holding companies is taking power, authority and management of local financial resources away from the local communities.

In certain States, the concentrated control of banks by holding companies reaches extremely high proportions. In Arizona, two bank holding companies hold over 80 percent of the commercial banking deposits. In Minnesota, two holding companies hold 45 percent of the commercial deposits. In Montana, the same two holding companies hold over 44 percent; in North Dakota 29 percent; and in South Dakota 37 percent of the commercial banking deposits. In Washington, three bank holding companies, hold 32 percent of the commercial banking deposits. Oregon has one holding company which holds 42 percent of the deposits, and the same company in Nevada holds 78 percent of the commercial banking deposits. In Massachusetts, two bank holding companies hold nearly 20 percent of the commercial banking deposits, and in Florida 5 holding companies hold almost 50 percent of the commercial banking deposits.

The holding companies now reach into 39 States, and no State is immune from invasion. The operations of the principal interstate bank holding companies are very extensive. As of December 31, 1953, one company, the Northwest Bancorporation, operated 71 banks with 22 branches located in 7 States; the Equity Corporation operated 12 banks with 36 branches located in 6 States and District of Columbia and also held minority interests in 8 banks and banking companies; the Transamerica Corporation operated 47 banks, with 109 branches located in 5 States, the First Bank Stock Corporation operated 75 banks with 3 branches located in 4 States; the First Security Corporation operated 3 banks with 44 branches located in 3 States; the General Contract Corporation operated 6 banks located in 3 States.

Acquisitions and mergers since December 31, 1953, reveal an accelerated increase and a startling concentration of banking. Nine of the 26 largest banks in the country, as of December 31, 1954, absorbed 46 banks that year. Thirty-two of these were taken over by two banks controlled by a single holding company.

Not only do bank holding companies represent an undesirable concentration of facilities within the banking field, but several of them engage in nonbanking businesses as well.

Most States restrict banks to the banking business and forbid banks to engage in or control nonbanking businesses. Through the device of the holding company the management of a bank can bring under one overall control an unlimited number and variety of businesses.

The Equity Corp. of New York, which controls the Morris Plan Corp. of America, is also actively interested in the insurance business. A wholly owned subsidy of Morris Plan Corp. of America, National Industrial Credit Corp., has direct or indirect interests in six companies engaged in the fire, casualty, reinsurance, and life-insurance business. The holding-company structure of Equity Corp. and related enterprises according to a chart compiled some years ago by the Virginia Bankers Association, embraces a far-flung system of direct and indirect interests in a great variety of business organizations.

Transamerica Corp., it developed during the proceedings brought by the Board of Governors of the Federal Reserve System, in addition to its banking interests in five States, controls corporations engaged in such widely diversified businesses as life, fire, automobile, and marine insurance, oil and gas, fish canning and processing, frozen foods, castings, forgings, diesel engines, food processing machinery, power-control equipment, kitchen tools, color cameras, and agricultural equipment.

Obviously, the bank holding companies have been guilty of grave abuses.

Enactment of bank holding legislation is essential if we are to stop those abuses, confine banks to the business of banking, and give back to the local communities of this country some measure of power, authority, and management over their local financial resources. The local communities, I feel certain, have a sufficient reservoir of talent to perform the entrepreneurial functions that modern day banking requires.

I am, therefore, and I want to make myself completely clear on this point, giving

my wholehearted and unequivocal endorsement to the principles embodied in H. R. 2674, the Bank Holding Company Act of 1955, introduced by the distinguished chairman of the House Banking and Currency Committee, my old friend, the Honorable BRENT SPENCE, of Kentucky.

It is inconceivable to me that any fair-minded person could take issue with the two major provisions of this measure. The first would require bank holding companies to divest themselves of their nonbanking businesses. This conforms to the principle established by the Congress in the Banking Act of 1933 that the lender and the borrower must be kept at arm's length. That act required the separation of banks and their investment company affiliates. The second major provision would subject the future expansion of bank holding companies to Federal control. Provision would be made, however, to protect the rights of those States which are opposed to the operation and control of banks within their borders by holding companies.

The Spence bill represents a long overdue reform. It will go far toward plugging a large gap in our holding company legislation. The existence of this gap has been apparent to all concerned for many years.

As far back as 1938, President Roosevelt, recognizing the danger inherent in holding company operations, asked Congress to restrict the powers of bank holding companies. In his annual report for 1940, the Comptroller of the Currency recommended that "Consideration be given to the enactment of legislation which will prohibit the operation of banks by holding companies."

The Federal Reserve Board in its 1943 annual report also recommended that "immediate legislation be enacted preventing further expansion of existing bank holding companies or the creation of new bank holding companies."

The Federal Deposit Insurance Corporation a year later also declared:

"The Corporation recommends that Congress enact legislation which will prohibit the future creation of holding companies and which will require the liquidation of existing holding companies after allowing a reasonable time for orderly distribution to their own stockholders of the bank stock which they now hold."

I should like to emphasize the fact that this is the only country in the world where most communities are served by home-owned and home-managed banks which are aware of and responsive to the needs of the people of their areas. I believe that this has been an important factor in the development of the United States.

Other countries must depend on 3, 4, or 5 banks having up to thousands of branches. Policies and important credit decisions are made hundreds or thousands of miles from many of the branches. The interest of an enterprising local customer may run counter to that of a large main office account, in which event the former might suffer. This inevitably tends toward concentration in all lines, cartels, the stifling of new enterprises, and stagnation. When forced to choose between such monopoly and some ism, countries invariably have chosen the ism.

I believe there is ample room for big banks and little banks just the same as we have big business coexisting with small business, public and private power.

In an expanding and healthy economy, with all groups sharing equitably in the prosperity of the Nation, the home-owned and home-managed banks and businesses aware of and responsive to the needs of the people of their communities should play as vital a role as the large metropolitan institutions. I simply want us to make absolutely sure that they are permitted to do so.

MUST NAVY YARD WORKERS "WALK THE PLANK"?

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. LANE. Mr. Speaker, I am not certain, of course, whether the administration has any Yalta-like plans to sell out the United States Navy to private industry, with corporation presidents assuming the role of admirals.

But the present trend toward disarmament at home, by stripping the Navy of its traditional functions, would seem to indicate a yearning in that direction.

What happens to the skilled and faithful navy yard workers who have given a good part of their lives to keeping our naval vessels in shipshape condition, when they are suddenly cut adrift with retirement not yet in sight?

Does the Government succeed in finding replacement jobs for them?

In private industry where their age raises a superficial barrier to their employment, and where the true value of their skill, their experience, and their dependability is outranked by the small matter of insurance rates?

Reduction in force is hitting every navy yard, and raising serious questions concerning the maintenance of our defenses.

Is this just one of those economy moves that is more devastating in its human losses than in the money that it actually saves? Or is it part of a policy to appease Red Russia by saying, "Look, we are cutting back on our defenses, first, to prove to you our good intentions, in the hope that you will follow suit."

In any event curtailing the work of our navy yards, or transferring their functions to private industry, does not inspire public confidence in these policies. It is a sad example of the conflict among the economic, military, and diplomatic aims of this administration. One branch of the Government is trying to turn public responsibilities over to its friends in private industry. Another is concerned with keeping our military posture in a position where it is something better than a mothball operation. A third is finding it difficult to make courageous and moral decisions in the field of foreign affairs.

Unification?

Where is it?

Navy-yard workers have been loyal to their Government but are now beginning to wonder whether this arrangement is reciprocal, as they are being forced to "walk the plank" and drop into the cold waters of unemployment, where some will not survive.

In their forties and their fifties, there are no life preservers of retirement or old-age insurance to rescue them.

Not even replacement jobs; to keep their heads above water.

And the drawing boards of Government are designing no plans to land them in other jobs.

Small wonder that there is fear and restlessness among all Government employees and declining faith in the security that was once attached to the civil service, when they observe the heartless directives that throw devoted employees overboard without any consideration for their fate.

The Boston Navy Yard, where long service employees of the ropewalk, and other shops, are being discharged through no fault of their own, is an example of this administration's preference for private enterprise at the expense of Government employees who are considered as expendable.

Members of Congress would do well to consider the far-reaching implications of this move and rally to the side of our navy yard employees before the defense of this Nation is gradually put into the profit-seeking hands of a private army, navy, marine corps, air force, and eventually a private White House.

Where public employment would be eliminated, fantastic? Not if this trend continues.

CONFERENCE REPORT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to inform my colleagues in connection with the conference report on the tax bill, H. R. 4259, that it will be called up on Wednesday next.

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

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN. The gentleman is putting this matter over until Wednesday because we stated we would give everyone a 48-hour notice before calling them back on this matter.

Mr. McCORMACK. The gentleman's statement is absolutely correct.

JAPANESE-AMERICAN CITIZENS LEAGUE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in the district on the South Side of Chicago that I have the honor to represent are many fine men and women of Japanese ancestry. In the district on the North Side of Chicago represented by my colleague the gentleman from Illinois, the Honorable SIDNEY YATES, are also many fine men and women of Japanese parentage. It is a matter of great pleasure to me, as I know it is to the gentleman from Illinois, Congressman YATES, and I trust I am speaking for the entire membership of this body, in welcoming to Washington a delegation of

24 representatives of the Japanese-American colony in Chicago. They are here to attend the joint Midwest and eastern district council convention of the Japanese-American Citizens League. The purpose of this organization is the promotion of better citizenship for all Americans especially for all Americans of Japanese ancestry. The motto of this worthy organization is "Better Americans for a greater America," in the sentiment of which motto all of us can wholeheartedly join. May I, Mr. Speaker, extend the welcome of the House and our good wishes to our visitors whose names follow:

CHICAGO DELEGATION, JOINT MIDWEST AND EASTERN DISTRICT COUNCIL CONVENTION

Miss Kay Fujii, Miss Hana Okamoto, Mr. Harold Gordon, Mrs. Peej Gordon, Mrs. Dora Goldstone, Miss Betty Iwatsuki, Miss Fumi Iwatsuki, Miss Sumi Shimizu, Miss Kiyono Nishimoto, Miss Tomoe Tada, Miss Mari Sabusawa, Miss Jean Shimasaki, Mr. Bill Fujii, Mr. Abe Hagiwara, Dr. Frank Sakamoto, Mr. Shig Wakamatsu, Mr. Kumeo Yoshinari, Mr. Earle Hori, Mr. Fred Nakagawa, Mr. Kats Okuno, Mr. George Kita, Mr. Milton Gordon, Mr. George Kits, Mrs. Kats Okuno.

SPECIAL ORDERS GRANTED

Mr. DIGGS asked and was given permission to address the House for 30 minutes on Thursday, March 31, following any special orders heretofore entered.

Mr. PATMAN asked and was given permission to address the House today for 15 minutes following any special orders heretofore entered, to revise and extend his remarks and include extraneous matter.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit today during general debate.

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

There was no objection.

HURRICANE DAMAGE LEGISLATION

Mr. PATTERSON. Mr. Speaker I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. PATTERSON. Mr. Speaker, today I am asking the Senators, governors, and Congressmen of the 18 coastal States to join me in a concerted drive to obtain the necessary funds to cut down the loss of life and property damages from hurricanes.

Today I have introduced in Congress an independent appropriation bill asking for $5 million providing for an emergency hurricane warning system based upon a special study prepared by meteorologist specializing in hurricane phenomena.

Few people realize that the property damages of hurricanes Carol, Edna, and Hazel last fall amounted to $1 billion and killed over 150 persons in the devastation wrought along the North Atlantic seaboard.

Meteorological experts tell us that these last three big storms were not freakish sea storms straying inland off their regular paths. The scientists say that distinct changes in the world-wide upper-wind patterns is creating a new cycle driving inland the great sea storms and may inflict heavy damages on the New England coast again this season and for years to come.

The United States Weather Bureau, operating under a drastically cut budget, is doing the best it can to detect the movement of hurricanes and issue warnings. In fact, the Weather Bureau has done a great job with limited mechanical equipment operated by overworked staff personnel. During the last big storm, weather forecasters worked continuously 18 hours without relief. But there is a limit of human endurance. Budget cuts forced the closing of weather stations at Eastport, Maine, Bangor, Maine, Cape May, N. J., Ocean City, Md. The Eastport station had been in operation since 1891. Also, forced reductions in the Bureau's working force resulted in only limited operation at offices at New Haven, Conn.; Bridgeport, Conn.; and eight other weather stations.

I recently appealed to President Eisenhower to act favorably on the recommendations of the Interagency Hurricane Research Conference for a more effective hurricane research and warning program. This was a long-range program.

The President advised me that he shared my concern for adequate safeguards against hurricane disasters, and said "you may be assured that thorough consideration will be given to such additional research activities as may be proposed."

I am now proposing a short-range emergency hurricane warning program to be financed by a special appropriation of $5 million. I am appealing to 36 Senators, 18 governors, and 177 Congressmen to join me in the drive to secure necessary Federal funds to enable the Weather Bureau to set up a really effective hurricane warning system to save human life and property.

It is impossible to accurately determine in advance what the projected hurricane task program will accomplish in dollars and cents; but experts estimate that potential savings of 25 percent damages to property and 90 percent savings in human life will result if advance warnings from 7 to 21 hours can be widely disseminated via newspaper, radio, and TV-news bulletins.

I am today introducing in Congress an independent appropriation bill of $5 million based upon a carefully prepared scientific study formulating an intensified hurricane surveillance system to protect the lives and property of 2 million American citizens living in the immediate vicinity of newly menaced coastal zones. And I wish to add that there is no fat in this proposed budget—specific requirements are cut to the very bone, but sufficient to provide an efficiently functioning emergency hurricane task force.

The enactment of this bill will provide the following:

First. The projected program will provide 4 upper-air observations daily instead of the present 2.

Second. Additional upper-air observations in "blind" areas where no observations are now taken.

Third. Provision for extra rawinsondes during progress of hurricanes.

Fourth. Emergency teletypewriter circuits and emergency private telephone liaison lines.

Fifth. Survey teams before, during, and after hurricanes to evaluate damage.

Sixth. Provision for full night and day hurricane staffs at each of six forecast centers. This means five additional forecasters at: Boston, New York, Washington, Miami, New Orleans, and San Juan.

Seventh. Keeping open 24 hours a day the following 12 Weather Bureau offices which are now open only part of the day: New Haven, Conn.; Bridgeport, Conn.; Atlantic City, N. J.; Wilmington, N. C.; Daytona Beach, Fla.; Fort Meyer, Fla.; Apalachicola, Fla.; Pensacola, Fla.; Port Arthur, Tex.; Beaumont, Tex.; Block Island, R. I.; Concord, N. H.

Eighth. Reopening of weather observation posts at the following places: Eastport, Maine; Bangor, Maine; Cape May, N. J.; and Ocean City, Md.

Ninth. Extra observations from ships at sea.

Tenth. Hurricane warning services flying squads at regional offices at New York and Forth Worth.

Eleventh. Radar observers at non-Weather Bureau radar stations.

Twelfth. The establishment of warning service for high tides, waves and high water.

Thirteenth. Establishment of ocean-weather ship stations half way between Norfolk and Bermuda. This was taken away 2 years ago in the economy wave and was originally a part of the original 10 station North Atlantic ship program.

Fourteenth. Hurricane Information Program. This program is required to inform the public as to all important aspects of hurricane alerts, hurricane warnings and protective measures that can be taken during the approach and during the hurricane passing to save property and lives.

Fifteenth. Establishment of special Weather Bureau broadcasts for emergency transmission of storm warning information. This may require obtaining special radio frequency from the Federal Communications Commission.

The following objectives of the projected program are as follows:

First. It will enable the United States Weather Bureau to give the location, intensity and movements of all hurricanes with substantially more accuracy than has been possible in the past.

Second. It will undoubtedly reduce the loss of life and property in the coming years for all coastal States.

Third. It will enable the warnings to be given out farther in advance and more expeditiously and efficiently.

Fourth. It will enable the Weather Bureau to more accurately describe the

weather conditions in and around the hurricanes.

Fifth. It will stimulate necessary precaution on the part of all citizens and thereby reduce the loss of life and property on the onslaught of anticipated hurricanes. For example: more accurate timing as to when the wind will reach a certain speed and water a certain height.

Sixth. It will reduce public apprehension and fear in areas near the pass of expected hurricanes.

May I emphasize that unless we get additional funds for a concentrated attack on the main technical weather problems that exist today, we are likely to spend 20 years in finding out the best methods to carry out hurricane protection services. What is needed is a crash program to provide means to issue hurricane warnings 6 to 12 hours earlier than now possible.

I know that the people of Connecticut, as well as residents of other coastal areas hit by hurricanes want their elected Representatives to take all steps possible to give them the maximum protection from further hurricanes, and it is for this reason I am trying to enlist the active support of the Senators, Governors, and Congressmen of the 18 coastal States to join shoulder to shoulder with me in a drive to get the essential Federal funds to set up a truly effective hurricane warning system. Even an additional 6-hour warning may mean the difference between life and death to many people in our States.

An added bonus on the funds expended for a more intensified weather forecasting system will greatly benefit agriculture, transportation, and other major interests throughout the country.

Last, but not least, the foremost meteorologists agree that the prediction of climatic fluctuations in hurricanes is necessarily linked with solving the central problem—the general circulation of the atmosphere—of vital importance in exploring the menace of atomic fallout. The scientists say they are woefully lacking in charted data concerning the jet winds—these are the upper atmosphere winds traveling at the terrific velocity of 200 to 450 miles per hour; these are the "rawins" that carry atomic debris, and presently under study by atomic scientists and meteorological specialists.

SEIZURE OF AMERICAN FISHING VESSELS IN INTERNATIONAL WATERS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. PELLY. Mr. Speaker, I received word this morning that the freezer ship *Arctic Maid* and the tuna clipper *Santa Ana* were seized yesterday 35 miles due west of Santa Clara Island off Ecuador by an Ecuador patrol gunboat. A message from the captain of another fishing vessel stated that an American crew member had been wounded in the leg by gunfire and was reported to have been refused immediate medical attention.

This is one more incident in a series of illegal acts on the high seas where certain South American countries have turned to nationalized piracy to raise revenue and extract tribute from our fishing industry. It brings to mind that a century and a half ago, during the infancy of our Republic, the Barbary pirates in the Mediterranean found it profitable to commit such depredatory acts on American vessels until we sent our Navy to terminate that system of nationalized ransom and roguery.

Today it seems to me we are in a situation where a polite exchange of protest notes between good-neighbor nations and other such procedures of procrastination should end. Either Ecuador and Peru should immediately reach an agreement with us or submit and abide by international arbitration. If not, our Navy in its historic role should be ordered to provide armed escorts to protect American property and persons engaged in peaceful occupations in international waters.

RELEASE OF POLISH UNDERGROUND LEADERS IMPRISONED IN MOSCOW

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. SHEEHAN. Mr. Speaker, I have introduced a resolution relating to consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945.

Mr. Speaker, 10 years ago yesterday, on March 27, 1945, the Russian Communist Government, after luring to Moscow under false pretenses 16 leaders of the Polish underground, seized and subjected them to a mock trial in Moscow. The Russian Government had invited these Polish leaders to Moscow in furtherance of the provisions of the Yalta agreement dealing with the reorganization of the Polish Government, which agreement had been signed 6 weeks previous to this date.

I have written to our Secretary of State, the Honorable John Foster Dulles, asking that he broach to appropriate representatives of the Russian Government the possibility of releasing the present survivors of this mock trial, and I am introducing a resolution proposing that Congress petition the United Nations to take action on this matter.

Under the terms of the Yalta agreement, which also set up the United Nations, it was agreed that arrangements be made to conduct a free election in Poland, so that the Government thus formed would be representative of all political factions in Poland. On the pretext of implementing this section of the Yalta agreement concerning Poland, Russian Army representatives invited the various leaders of the Polish underground army to Moscow to confer on the creation of a postwar Polish Government. The Polish Government in exile, with headquarters in London, after consulting with officials of our Government and with the Government of Great Britain, recommended to these Polish patriots that they attend the conference so that the Polish regime would cooperate with the Russians in line with the Yalta agreement.

This committee consisted of Maj. Gen. Leopold Okulnicki, commander of the Polish Home Army; Jan Stanislaw Jankowski, member of the Christian Labor Party and Vice-Premier of the Polish Government in London; Adam Bien, member of the underground government, Peasant Party; Stanislaw Jasiukowicz, National Party, member of underground government; Kazimierz Puzak, leader of Socialist Party and speaker of underground parliament; Alexander Zwierzynski, National Party, deputy speaker; Kazimierz Baginski, Peasant Party, deputy speaker; Stanislaw Mierzwa, Peasant Party; Zbigniew Stypulkowski, leader of Democratic Party; Eugeniusz Czarnowski, leader of Democratic Party; Jozef Chacinski, leader of Christian Labor Party; Franciszek Urbanski, secretary of underground parliament, Christian Labor Party; Stanislaw Michalowski, Democratic Party; Kazimierz Kobylanski, National Party; Jozef Stemler Dabski, interpreter of Polish delegation; Antoni Pajdak, member of Socialist Party and underground parliament.

All 16 leaders went to Moscow, where they were immediately seized and imprisoned by the Soviet Communists, in spite of the fact that the entire delegation had been promised personal immunity during its stay in Moscow.

In the middle of June 1945, these Polish underground leaders were tried in Moscow, and 13 of them were sentenced to prison for terms varying from 4 months to 10 years. Some of these officers have since been freed, but it is felt that Jan Stanislaw Jankowski, Antoni Pajdak, Stanislaw Jasiukowicz and General Okulnicki are still serving sentences in Soviet prisons.

Personally, I am of the opinion that the Yalta agreements should be renounced, as well as any other executive agreements which have not been properly presented to the United States Senate for ratification, if any such executive agreements contain treaty provisions. However, thus far our Government has taken no action to renounce such agreements, and inasmuch as that is the case, I believe that without our thereby giving tacit approval to the constitutionality of them, our Government can and should request the Russian Communist Government to abide by the terms of the Yalta agreements.

Insofar as the Russians guaranteed free and open elections in Poland, yet have never permitted same, and insofar as the Polish Underground leaders went to Moscow at the recommendation of our own Government, we certainly should make proper representations through our State Department to the

Russian Government for the release of these Polish patriots.

I further believe that since the United Nations was also created by agreement at the Yalta Conference, the United Nations should make proper representations to the Russian Communist Government for the release of the Polish Underground leaders seized on March 27, 1945, and who may still be in prison.

As President Eisenhower alluded at his press conference the other day, there does not seem to be anything to be gained by sitting down with Russian Communist officials and making agreements when that Government has shown very little disposition to honor previous commitments.

Until such time as the Russian Communist Government decides to act in good faith by honoring previous commitments, and to keep its word with other governments, it would be foolhardy to continue making agreements with that government.

However, if the Russian Communist Government would now release these Polish leaders from prison, it would be making a step in the right direction and would show the world that it was ready to act as an honorable and upright power, with which other nations would again be willing to negotiate in the hope of attaining peace.

The resolution which I introduced today, asking the United Nations to take action, is as follows:

House concurrent resolution relating to the consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945

Whereas on March 27, 1945, sixteen leaders of the Polish underground were arrested by the Soviet Government, which had lured them to Moscow under the pretext of discussing the establishment of a new Polish Government;

Whereas these Polish leaders were subsequently sentenced to prison, where some of them still remain;

Whereas the Yalta agreement provided for reorganization of the Polish Government on a broader democratic basis, to be followed by free elections in Poland;

Whereas the imprisoned Polish leaders went to Moscow in reliance on the action taken at Yalta and at the recommendation of the Government of the United States;

Whereas the provisions of the Yalta agreement relating to a free Poland have been frustrated by the tactics of the Soviet Government, while other terms of the Yalta agreement have resulted in the establishment of the United Nations: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should take such action, through the United States delegation to the United Nations, as may be necessary to obtain prompt consideration by the United Nations of measures directed toward the release of those Polish leaders arrested by the Soviet Government on March 27, 1945, who are still in prison.

VETERANS' ADMINISTRATION ACTIVITIES IN CANCER RESEARCH

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am going to put in the RECORD a summary of what the Veterans' Administration is doing toward stopping the dread march of cancer. It is on the increase in spite of the medicines and treatments that have been introduced in an effort to cure cancer. In 1960 it is expected that the veteran population that will have cancer will be 54,000. At the present time in the Veterans' Administration hospitals there are some 25,000 being treated yearly. I should like to commend the Veterans' Administration for some very remarkable work on cancer and some very fine cures.

ADMINISTRATION'S ROAD-BUILDING PROPOSAL

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, those of us who have recently been concerned with the problem of fiscal irresponsibility will be interested in learning of the testimony which was given today before a Senate Public Works Committee on the administration's road-building proposal, where the General Accounting Office said that the program was unsound, that it was of unquestioned illegality, that it went outside the public debt, that there was no way to finance this particular program; also that the Comptroller General of the United States very definitely was of the opinion that the whole program was objectionable and that there was no way by which we could legally earmark gas revenues for that purpose.

THE LATE HONORABLE JOHN W. DAVIS

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, the passing of John W. Davis brings great sorrow to the many men and women who knew him. He was a sympathetic, kindly person who counted his friends in the thousands, coming from many different paths of life. He was sought out for advice and guidance in large business affairs, yet he was always ready to counsel those with small problems.

Unpretentious and unassuming, he was equipped with a penetrating mind, topped off with a superb intellect. He was scrupulously honest in his thinking which is why so many people trusted him and sought his friendship. He was a superior man with a gentle manner and was admired with a deep reverence by many.

The public is apt to think of Mr. Davis as a great constitutional lawyer, which he was, or as being once a candidate for the presidency, which he undertook from a sense of duty, but everyone admired his stanch Americanism. He served his country well as a Member of the House of Representatives in the 62d and 63d Congress from the First District of West Virginia and held positions of high trust while he was a Member. He was Solicitor General of the United States when Woodrow Wilson was President. He served as Ambassabor to the Court of St. James and did much to promote mutual respect between Great Britain and our country. He campaigned on a statesmanlike level for the presidency and in his speeches he displayed his clear thinking and high standards. He was a Jeffersonian Democrat who believed thoroughly in the Constitution and was a stanch supporter of States' rights. He opposed power centralized in the Government in Washington and deplored the trend toward the dependence on Federal aid which was encouraged by some of our people.

He was a great American in every sense of the word, generous and kindly, unassuming and modest, and entirely without fear. Our country is better for his citizenship and we have every reason to be grateful for the priceless contribution he made toward the maintenance of our ideals and the preservation of our principles of personal freedom and justice.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 5 hours, one-half to be controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and one-half by myself.

Mr. H. CARL ANDERSEN. That is agreeable to me.

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 31]

Abbitt	Dolliver	Miller, Calif.
Addonizio	Donohue	Miller, Nebr.
Anfuso	Donovan	Miller, N. Y.
Barrett	Doyle	Morgan
Becker	Eberharter	Murray, Tenn.
Bell	Fallon	Nelson
Bolton, Frances P.	Fino	O'Brien, N. Y.
	Fisher	O'Neill
Bolton, Oliver P.	Flynt	Osmers
	Gamble	Poage
Bosch	Garmatz	Powell
Brown, Ohio	Gordon	Prouty
Buckley	Granahan	Quigley
Burnside	Grant	Reece, Tenn.
Byrne, Pa.	Green, Pa.	Rogers, Tex.
Canfield	Hale	Sadlak
Chase	Hand	Scherer
Chiperfield	Harris	Seely-Brown
Christopher	Harrison, Nebr.	Selden
Chudoff	Holtzman	Sheppard
Clark	Ikard	Smith, Wis.
Cooley	Jackson	Taylor
Corbett	Jarman	Thompson, La.
Coudert	Keogh	Vanik
Davidson	Klein	Velde
Dawson, Ill.	Kluczynski	Wainwright
Delaney	Latham	Williams, Miss.
Dingell	McCarthy	Williams, N. J.
Dixon	McConnell	Willis
Dodd	McDowell	Wright
Dollinger	Mahon	Zelenko

The SPEAKER. On this rollcall 340 Members have answered to their names, a quorum.

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

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5239, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, it has been my privilege to work with the Department of Agriculture appropriations for some 10 years. During that time I have tried to work in every way I knew how to improve the service of that Department and to contribute what I could to making the farm programs work both in season and out of season, always with the interest of the Nation as a whole taken into consideration.

As most of you know, I served as chairman of this committee for 4 years, and for the last 2 years I have served under the chairmanship of my friend and colleague from Minnesota. I feel that all members of that committee without partisanship have made a determined effort through the years to help the Department, help the farmer, and help the Nation. I have been highly pleased this year to have several very good Members of Congress added to that committee. I will not take the time to refer to those who have been on the committee, because you know of their long and effective service, but we have been highly pleased this year to have put on our committee the gentleman from North Carolina [Mr. DEANE], and the gentleman from Kentucky [Mr. NATCHER], on the Democratic side, and the gentleman from Illinois [Mr. VURSELL] on the Republican side. They have brought to us a wealth of interest and information and lots of ability and energy and they have contributed a great share toward the work of this committee.

Our problems have been considerable for the last several years, and this year, if anything, were a little bit tougher. I have before me the special report which appeared in the U. S. News & World Report of March 25, 1955. The title of it is "Where Times Are Getting Harder." It states and I quote:

> The farmers are still in a recession while other people prosper. Their plight recalls the twenties when agriculture slumped long before the big depression.

The article points out that the farm problem is worsening now, and that more trouble lies ahead. Then this U. S. News & World Report says that in 1946 the farm income was approximately 12 percent of the national income. In 1948 farm income had gone down to 11.6 percent of the national income. In 1951 farm income had gone down to 9.4 percent. In 1954 farm income has gone from 12 percent in 1946 to 7.2 percent.

Let me give you the source of that once again. That is the U. S. News & World Report.

Now, it is under those circumstances that we started our hearings, and our hearings disclosed several things that I did not like about the budget under these conditions. The Budget Bureau cut substantially the Soil Conservation Service. Not only did they not provide funds with which to service the new districts, but they cut out funds that we have at the present time.

The same Budget Bureau approved $15 million on an emergency basis for soil work last year because of the terrific problems facing us in certain areas of the Midwest. Our committee in what I hope was its wisdom saw fit to say that it was much more sound to try to prevent these problems rather than to meet them on an emergency basis and less expensive as well.

We have restored in this bill the funds that the Bureau of the Budget would take away from soil-conservation districts and we have provided funds to service the new districts. The Bureau of the Budget also cut out funds for plant and animal disease activities and pest control.

I spent the month of October in Europe trying to determine what the true situation was over there, for what it might be worth in trying to bring about some change in our policies over here. One of the major problems in foreign countries is that each little country has its tariff walls and its embargoes and its quarantines, and things of that sort. One of the best things in these United States of ours is the fact that commerce, by and large, flows between States without any problem. But if we do not in the United States through the Federal Government give some overall attention to inspection and quarantine, and things of that sort, then we find that one State which feels it is being hurt by what comes into it from another State, attempts to keep those things out; then the other State retaliates and the first thing we know we have 48 independent countries, so far as trade is concerned.

On that reasoning we have restored funds for these services that the Bureau of the Budget would take away from the Federal Government. We think the Federal Government must stay in that field. In connection with that we have called on them to get as much local contribution and cooperation as it is possible to get.

Then we come to flood prevention. One of the great problems we have in the country is the matter of floods. We have not seen fit to go along with reducing funds for flood prevention, but we have increased funds in this bill for watershed protection and flood prevention on the basis that it is a sound investment in the United States and that our general welfare will be determined by how well this country can support the people within it, our foreign programs and our military.

Then we come to the matter of the inspection of fresh fruits, vegetables, poultry, and eggs. I do not know how much correspondence Members have had in this connection. Perhaps mine came from the fact that I was chairman of this subcommittee. But my office has been flooded with requests that we restore the funds which the Bureau of the Budget cut out, to make the people pay for this inspection service. In the final analysis for any work that is done, somebody will have to pay for it; the American people will have to pay for it. But when you get into the field of perishable commodities; when you get to the point where an inspection is needed for the general public, you do not improve the system or increase the number of people who will get inspections by getting them to pay for something that the public interest requires. So we have restored those funds.

Now we come to the school-lunch program. The school-lunch program, I think, is one of the greatest things that this country is doing. For the last 8 or 10 years the United States of America has been financing throughout the world programs to improve the living standards and the health of people in foreign lands.

Our Draft Act and the workings of it have disclosed that in the United States we had too many citizens whose physical condition was such as to disqualify them for the draft. That is just one place where our failure to have proper nutrition has shown itself up, through those tests. For the last 3 years the Bureau of the Budget has cut out funds for the school-lunch programs. I believe I can safely say that I have had 3,000 letters since the 1st of January from every part of this country urging restoration of the cut in funds made by the Bureau of the Budget. There is not a city which has not been writing in pointing out the benefits that come from the school-lunch program. Yet, for the third straight time the Bureau of the Budget has cut out $15 million for that purpose. The

argument last year and the year before was that they were cutting out only section 6 funds.

As you know, most of the commodities that are provided under the school-lunch program are bought when they are surplus through section 32 funds, but section 6 provides some money that is not carried down to surplus commodities and can be used to buy fruits and juices and things that perhaps are not in surplus so that the school children can have a well-balanced, nutritional meal. These funds make it possible to use more of the surplus commodities. So your committee has seen fit to restore $15 million for the school-lunch program.

Another place where we have taken strong issue with the Department of Agriculture is along the line of the use of section 32 funds. As you will recall, section 32 of the AAA act provides that 30 percent of the import duties on things imported are set aside to promote new uses for and help us use surpluses. Those funds have been worth their weight in gold, literally, because surpluses on the market, however small they may be, tend to set the price for the whole supply.

Through the years we on the committee have insisted that the Department use section 32 funds to buy some of these commodities, not primarily for the school-lunch program but as in the situation last fall when producers were in trouble with poultry and eggs, or 2 years ago when we were in trouble with turkeys. By buying a relatively small amount of these commodities, supply and demand came into line, and the market was stabilized, and then the supply purchased went to the school-lunch program.

Last year the Department, to justify this reduction of $15 million, said, "Next year"—that is, this year—"we will have more commodities available because we expect to expand the use of section 32 funds."

What are the facts? Notwithstanding the break in the poultry market and the egg market of last fall, the Department refused to act and we find that some $27 to $30 millions fewer commodities were made available for the school-lunch program during this year. So in addition to restoring the funds, and you understand we cannot control the executive department, we have given them strong directions to make use of section 32 funds to strengthen these markets, and that the benefits of such purchases then go to the school-lunch program. There is every reason to believe that as they do that they will improve this situation.

There are 2 or 3 things in this report which are new but which I think are sound with reference to the Department of Agriculture and the solutions of the problems facing us. I give you my best judgment, because certainly it has always been my purpose to be factually correct and absolutely honest with this House.

The solutions for your present farm predicament—and believe you me, when the U. S. News & World Report says farm income has gone down from 12 percent of the national income in 1946 to 7.2 percent of the national income now, the situation is serious, and those figures are from a source where the administration cannot say it is politics—the solutions the Department offers. Which I have heard have been approximately four.

The first is more research and extension. We want to give them more opportunity, because I think this is serious, so we have gone along with the budget request of approximately $5 million more for the Extension Service. This makes the second straight year we have made such increase. We have done that because we believe it is a good service, but not necessarily because I believe it would help the present farm problems of reduced acreage and lower prices if you had a county agent for every farmer. We have done it because we believe in the Service, not because it is a perfect answer to the present situation.

Then in the field of research we have gone along with the increase to the State experiment stations. We did that because we believe in it, but I would have to admit that there are some serious misgivings about the use of some of that money.

Our State experiment stations used some of the money you gave them last year for research to study the differences in clothing worn by country people and by city people in four counties in Kansas. They spent some of your money for methodology, which means the habits of the people in the rural areas, whom they know, where they go, how they spend their time, in what kinds of activities. They spent some of your money for the orchids of Guatemala. Yes, and they did not waste all of it in other sections of the country.

In the South we had one that is worthy of note; patterns of child rearing in southern families and their relation to the personality development of children. But the Department says such research will help cure the farm problem. So we have given them the money. They have their chance there. The other cure that has been offered is flexible supports. They have that in the present law. They have the flexible support laws now. The other suggestion is that we use Public Law 480 and other means of getting rid of these commodities. We have had Public Law 480, and I do not condemn it, but unfortunately CCC officials try to give away commodities under Public Law 480 without first offering them for sale for dollars. Public law Law 480 was passed by the Congress and it provides for the sale of commodities for foreign currency. Under the law, 90 percent of that foreign currency is not even subject to the control of Congress. Before you can virtually give away commodities under Public Law 480, you have to clear the matter with a supervisory committee on which the State Department and the Commerce Department are represented, and I do not condemn those departments but they do have different problems. But under Public Law 480 you virtually are giving these commodities away, and when you put them into these places where they will not affect the sale of other commodities, of course, every other country in the world gets on our State Department when we try to unload a lot of commodities under that law.

There are two things that we have done which I think are new. We have provided that $1 million of research funds for the first time shall be given to the tabulation of statistics and research on what happens to farm commodities from the time they leave the farmers' hands until they get to the consumer. We have done that because heretofore virtually all of the research has been on the farmers' share of the consumer payment for these commodities. The record shows that since 1945 the farmer's share of the consumer dollar has gone down from 54 percent in 1945 until now the farmer gets only 43 percent. We believe in research and we believe in helping the farmer to lower his costs and we believe in helping him to avoid waste, but with 57 cents of the consumer dollar going elsewhere, we believe it is high time that we at least find out where the money is going so that we can see perhaps if we cannot get some improvement there. Our reasoning is as follows: There is no way for the Congress to make the people in Philadelphia get rid of their antiquated markets. By way of illustration, we find that with regard to some commodities leaving California, shipped to New York City, and when we find more cost being added from the Hudson River to the consumer, than all the rest of the cost, it is time that we had the facts tabulated so that the folks affected—the New York city consumers—can bring about whatever correction they want to. In this bill we set aside $1 million to tabulate and find out where 57 percent of the consumers' dollar is going. It is apparent where some of this money is going. You can see it. Since 1945, we have had 13 freight rate increases. Behind those freight rate increases are various laws which require so much return on the investment after the railroads paid the costs of operation. We know where some of it is going. We do not hereby condemn it but we believe that the American people should have the facts and the Department should have the facts so that we can make a start from that point to correct anything that needs correcting.

We have another thing which I think is original in this bill in regard to the foreign agricultural service. Of the money that the budget provides, we have set out $500,000 to provide for a tabulation and for bringing down to date increases in production in foreign countries on the commodities which we support here plus a tabulation of the laws in those foreign countries to move their commodities in world trade on a competitive basis. Our hearings disclose you cannot make proper determinations of United States policy without knowing what the rest of the world is doing. We have learned cutting down United States production does not mean reduction in world production, but apparently it means only a shift to foreign lands of United States acres taken out, many times by United States financial interests.

The other action we have taken is tied in with what I would like to point out to you now.

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

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. As the gentleman knows, last year I introduced one of the bills which resulted in 480. I do want to commend the subcommittee on adding this money for research. I think one of the principal things we have done wrong during the past 15 years is that we have spent billions to increase production and we have spent almost nothing on research, on how to get and keep and maintain markets. This is the only thing strengthening that I have noticed by any agency of Government, to try to work out the problem of distribution, which is the real problem we are facing.

The second point I want to mention is the question of research and what is being done in foreign countries. In November and December when the Interstate and Foreign Commerce Committee was in Africa we ran into the very thing you are talking about. In Ethiopia here were 18 experts from the Oklahoma A & M College teaching the Ethiopians how to grow corn. But actually at this time they are almost ready to export corn as a result of the technical instruction and education we have given them. The same was true in Turkey, which 10 years ago had to import corn. Now they are exporting corn.

This entire question of research is the most important thing that your committee could do to find out how we can get these foreign markets and keep them.

Mr. WHITTEN. I thank the gentleman, not only for his comments but for his service in pinpointing many of these problems. I know his views have borne fruit in many of the changes that I have observed. Research about markets is good but offering for sale and making the price truly competitive is what we need first.

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

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

Mr. FULTON. I also wanted to point out that it is research that is so important. I agree with the gentleman that we people who have city districts as well as country districts should join in helping to get funds for more research. One of the things I think we should have is research on merchandising and consumption. When you get rigid high price supports you lay up surpluses, and what are you going to do with the surpluses? What is the gentleman's solution for the surplus question?

Mr. WHITTEN. We have laid up surpluses not by support prices but by not selling. Price supports may have caused the purchases but we still have such commodities because we would not offer sale with the price right.

Mr. GROSS. If the gentleman will yield, I think the gentleman from Pennsylvania should be corrected to this extent, that it does not follow that by having high, rigid support prices it tends to produce a surplus.

Mr. WHITTEN. That is the point I was coming to. I used to practice law, and when I did not have much of a case I would holler about something extraneous to the issue. So I am not too much disturbed about the Department saying the report which we filed in this case was political. I hope I have not built up that kind of a reputation here. My folks have been good to me. With what I hope is pardonable pride, I say I have not had a campaign since 1944, and I have not had to make a campaign speech in all my service in Congress. My people have not demanded political propaganda. I do not think that our report is political propaganda, but when a department of Government—the Department of Agriculture—says it is, it is evidence that they do not have the answer. The Secretary and the Department know they cannot explain giving away without offering for sale. They run a $10-billion Corporation with $7 billion invested, on which they pay storage. They would give away rather than sell.

Now let us see what the facts are in this report. I did quote from some of the speeches of the Department officials. Mr. Morse, Under Secretary of Agriculture, did say that the picture was not so gloomy. "Farmers have learned," he said, "that they can get jobs in the cities." That is his privilege. I do not know anybody in the Department whom I do not like and with whom I cannot agree about things social, but it is high time we agreed about what nice people they are but now we must look at how the Department is being run. That is what I am talking about. It is in that connection that I would like to point out to you we have a farm program which comes under attack from time to time in various circles.

To carry out the farm program we established the Commodity Credit Corporation. I was here and many of you were on the floor when it was created. That Corporation was established to act as a corporation, that is, in a business-like way. Under the charter it has authority to buy and to sell, to sue and be sued, to move quickly and to handle its affairs like a business concern. We have provided the various support levels for farm products and as you know, I have differed with certain folks in the Department of Agriculture as to such levels and I do not condemn them for having their viewpoint, but our hearings disclose that in the Commodity Credit Corporation charter, and that is the Corporation that owns all these commodities, provision is made for the support of various farm commodities, and the price at which they can be offered in the United States is controlled by law. But in the Commodity Credit Corporation's charter it is provided that so far as selling in world trade is concerned they have the authority to sell at any price; in other words, the Congress in providing price supports recognized that you had to have some program for the farmer to compensate for the high cost of the things he has to buy, but the Congress recognized that while you might have to have that feature, if you wanted your commodities to move in world trade where many times the income and costs in foreign countries is not as high as ours, in countries like Spain where the average income per person is a dollar a day, or in Mexico, or many other countries, that if you wanted to sell our commodities you would have to make your price competitive. So the Commodity Credit Corporation charter provides for the sale in world trade at any price essential to move the commodity. It is with regard to that responsibility that the CCC has failed to properly discharge its responsibilities to the American people.

We have a $10 billion corporation with $7 billion invested which, by and large, is still trying to sell at the prevailing price. That means the CCC analyzes the world market price on these commodities and then offers ours right at that level. All any foreign country has to do is just sell under it and they get the markets and we get what is left. The Department has admitted that.

Since this issue has been raised—and I do not want anybody to think I am throwing off on the Department of Agriculture because it is under a different administration; I have made these fights since I have been in this House whoever was there—all you have to do is turn to the report where I quote from a statement by the Department of Agriculture where it says, and I quote:

> The present season again finds the United States in the position of residual supplies of cotton to the world; that is, with demand for its exports limited until other exporters have largely sold out.

That is the Department of Agriculture announcement made last year until we went after them on the fact that they did not offer cotton last year for export.

While we have been holding our support price as the world price, so to speak, by and large, under that assurance of price—and I am merely using cotton by way of illustration, but the same thing applies to corn and these other commodities—the Anderson-Clayton Cotton Co. has gone into Brazil and Peru with the assurance thus expressed by the CCC and put thousands and thousands of acres into cotton while our Government was cutting cotton acreage by practically 7 million acres in 2 years, under the Department's own report putting more than 55,000 families out of their homes this year alone and reducing 130,000 farm families to an income of less than $900 a year.

That is not all; it is even worse when we find that the reduction in acres here is showing up in increased plantings in Mexico, Peru, north Africa, and various other countries of the world by United States financial interest taking advantage of the United States umbrella on prices not raised by Congress but by the Secretary of Agriculture who by his decision has made our domestic price the world offering price.

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

Mr. WHITTEN. I yield to my friend from Iowa.

Mr. JENSEN. How long has that situation been in existence? When did it start? When did we start putting an umbrella over the foreign countries so far as prices are concerned, and because of that they were able to put in

many acres while we had to reduce acreage? I would like to pinpoint it.

Mr. WHITTEN. Well, the policy started, as I understand it, right after World War II on the argument that in addition to various other foreign aids, we should also hold our commodities back so as to let countries get reestablished. This policy has existed from that time and that time was under the Democrats. It has come down to date. Only lately have we learned that United States cuts in production have been merely transferred to foreign lands by United States financial interests.

Only in the last few years have foreign countries come to the point, as I found in Europe, where they are more than 150 percent recovered from prewar. Their general economic condition is 150 percent above that of prewar. Only in the last several years have tractors and farm equipment become available to your Hohnburgs and your Anderson-Claytons and your other two big cotton producers who have become international operators. It is only in the last few years that we began to see what this was doing to us, though the policy had continued for several years before that.

Mr. JENSEN. So the problem is to find a place and method by which we either bring that umbrella down or we put something in its place. Have we got to the point where there is nothing we can do about it? Has it gone on so long and we are so committed to hold the price up that we can do nothing about it?

Mr. WHITTEN. That is what I want to get to now. The way to bring the Department's umbrella down is to sell and protect our own farmers. I was told by the Department before I made this trip and the word "political" appeared in this report, that this was a part of our policy because of world problems and because of the political ramifications of international affairs. That is what the Department told me.

I went to Europe and I found out several things I had not been aware of before. They do have dollars in these foreign countries. We simply are not getting them back for agricultural products. They spend now of the dollars they actually get about 18 percent of those dollars back with us for agricultural commodities because we will not make our price competitive. Prewar they spent 29 percent of their dollars for agricultural commodities. So they do have dollars.

I made a further check. I could not find anybody in the State Department who had said that they objected to us selling in world markets competitively, as is contemplated by our support laws and as is contemplated by the Commodity Credit Corporation charter. I came back here in January.

When the Commodity Credit Corporation appeared before us wanting $7,200,000 more in administrative funds, I asked them to submit to us what commodities the Commodity Credit Corporation had that had not been offered in world trade on a competitive-bid basis. They listed $3,792,000,000 worth of such commodities. They like to insist that when we offered our commodities for the prices that generally prevailed in the world that was competitive. Of course, it was not. You have country after country where they came just a few cents under ours and they got the market. According to CCC, $3,792,000,000 worth of commodities have not been offered on a competitive-bid basis, which is the way to tell whether it is truly a competitive proposition. Last year we had urged the CCC to make such offerings. I went after them about that. We got them to offer some commodities in the world market on a truly competitive basis. Do you know what happened? They sold $453 million of them for United States dollars, virtually all, by merely offering them in world trade on a truly competitive basis. Last year when we got them to offer them and when they made the offer truly competitive, we sold the commodities.

Now, in regard to these other commodities that the CCC authorities have not offered on a competitive-bid basis, if you will read the hearings, the distinct impression is left that the Department would not do it, though they admit they had the authority to sell them at any price competitively. They left it in the record that they were not doing it because of our State Department and our foreign polcy. I did not believe that, so I went to the State Department, and advised them what the Department of Agriculture had indicated. Then we had Assistant Secretary Waugh before us. He said with the exception of butter—and there the State Department did protest because we never had an export market of butter, but were overruled—the State Department has not objected to selling commodities in world trade competitively. Then, after the Department of Agriculture speaking through the Secretary and its solicitor, admitted that they had the authority but left the impression that the State Department would not let them do it, we called Mr. Waugh before us and he made that statement, and I let the Department of Agriculture know it. Then the Secretary of Agriculture said it was his determination not to sell these commodities in world trade on a competitive-bid basis. "The trade has advised against it," he said. In the record you will find he had 1 letter from the head of 1 cooperative. I put in numerous letters, numerous pleas by folks in the trade urging the Department to sell.

But, this is a farm program. If the Department is going to try to get an agreement within the trade, where one group of traders is long and the other short, where one group is interested in this and one in that, where one group has supplies on hand and another wants them, you cannot ever get any agreement like that. Mr. Lamar Fleming, of Anderson-Clayton, is a big man in the trade and the shippers association. He is a fine man, an outstanding man, but also an international businessman. Mr. Hohenberg of Memphis, Tenn., in the other body said that under this umbrella, 25 percent of their cotton production was overseas, in Mexico, and elsewhere. I am pointing out to you that their business interests are not just local in the United States. Now, if you read the report, you will see that while we have been cutting cotton back, according to the Department's own report, 55,000 farm families are without homes under an order of their Government, 130,000 with less than $900 per year. That acreage is showing up in foreign countries, largely financed by American financial interests in Mexico and in Peru and in various other countries.

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

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. SHORT. I consider the gentleman from Mississippi one of the ablest men in this body, and he has been thoroughly consistent through all the years that he has been here. Now, what he has told us about cotton he has also frankly admitted can be said of other major commodities with support prices. Now, how long can we continue to allow American dealers to go into foreign countries, where they have cheaper wages and lower standards of living, to develop vast areas to produce the very commodities in direct competition with the American farmers?

Mr. WHITTEN. We cannot live with it. It is just as simple as that.

Mr. SHORT. I think that applies not only to agriculture but to manufacturing, practically everything we produce in this country, whether it is on the farm or in the factory, and that is the reason I find it so difficult to see so many Members of Congress still in favor of the so-called reciprocal trade agreement, which is more or less a one-way road instead of really being reciprocal.

Mr. WHITTEN. I would like to comment on the statement of my friend. What makes the reciprocal trade agreement even worse than anybody pointed out so far is it permits the Government to let foreign articles in while our own Government will not allow our commodities out, even though authorized by law, by policies which will not offer our commodities competitively. Anybody knows that you cannot sell if you do not offer for sale and make your price equal the other fellow's.

The fact that it is international does not change the situation. If the other fellow has an equally good product, if you cannot meet the price, then you are not going to sell it.

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

Mr. WHITTEN. I yield to the gentleman.

Mr. ARENDS. I should like to say I am asking this question in all sincerity. Because of the rapid development of agricultural production in various places throughout the world, to which the gentleman has referred, and because that can largely be attributed to the fact that we have given point 4 aid or technical assistance, or whatever it is called, have taught them how to raise farm products, are we in a position today where the gentleman is suggesting that we cease and desist further appropriations for advice and help under point 4, in raising agricultural products anywhere else in the world?

Mr. WHITTEN. The gentleman is getting me into a subject which I have not prepared as thoroughly as I have the subject I have been discussing; but I have

definite ideas on it, although I confess I do not have as full information on that subject. If the help we give these people were for the purpose of raising local standards of living and of agricultural activity for home consumption, that is one thing. But if the purpose is to set up countries in Central America, for instance in the very commodities which we have in surplus in this country and take away the export market of the United States in those commodities, then that is unsound. But I should like to go one step further. The 2,600 deep wells that we dug in India so that they could grow more cotton have not done one-tenth of the damage that has been done by making our support price the world price, thereby holding a price umbrella. The assurance of price has done 10 times as much damage, in my opinion, as has the making available certain sums of money and certain know-how, certain technical assistance, in my judgment. If you give a man assurance of price, he does not have to have money, he does not have to have anything; he can raise the money.

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

Mr. WHITTEN. I yield.

Mr. MASON. So far as the Clayton concern's raising cotton in South America is concerned, certainly they do not need any technical assistance from us, because they took it with them.

Mr. WHITTEN. That is correct. And then that comes back to us in this way. You do not have to worry so much about increasing production in foreign countries by foreign people when they are short in that production. It is when your American know-how and your American finances go into these low cost areas under an assurance of price that we have difficulty.

It has been said that my report is political propaganda. I do not like that. I have tried not to live that way since I have been here.

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

Mr. WHITTEN. I yield.

Mr. HALLECK. The gentleman said, I believe, that "I wrote the report" and the gentleman says now, "It is my report." Are we to understand from what the gentleman has said on two occasions in truth and in fact that this report is his personal report?

Mr. WHITTEN. I will put it this way. When I am attacked, I accept all responsibility and so far as making any denial in order to avoid any responsibility for it, I will say that I am directly responsible for it. I had the counsel and advice from various members of the committee and made the report available to them. It reflects the attitude and the opinions, in my judgment, of practically all the members of the committee. Insofar as the wording of the report is concerned, or insofar as any minority report is concerned, it speaks for itself. Insofar as the preparation of it is concerned, I helped to put it together and submitted it to the members of my committee in line with what we ordinarily do here. And it was made available to all members of the subcommittee on Thursday prior to its being printed.

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

Mr. WHITTEN. I yield to my distinguished chairman.

Mr. CANNON. As the gentleman has said, this report was very carefully prepared and was made available to all members of the committee in advance.

When the committee voted on it, the vote was unanimous in favor of adopting this report as the report of the committee, a committee consisting of 50 members. It was unanimously approved. It is the report of no individual but the report of the entire Committee on Appropriations of the House.

Mr. HORAN. Mr. Chairman, will the gentleman yield to me on that point?

Mr. WHITTEN. I yield to the gentleman.

Mr. HORAN. I think the chairman of the full committee knows that I took reservations on the policies outlined in the full committee.

Mr. CANNON. But when the vote came in the committee on the adoption of the report, the report was unanimously adopted. There was not a single vote against it.

Mr. HORAN. I must insist that I took reservations.

Mr. WHITTEN. Each man is entitled to take his own position. There is no argument about that. This report reflects my views and, in my judgment, reflects substantially the views of the subcommittee, with certain exceptions about which I learned a day or so after it was printed. Those who have taken exceptions I have no quarrel with, and I have no quarrel about anybody making his position plain.

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

Mr. WHITTEN. I will agree with whatever the gentleman wants to say. I have agreed that whenever the gentleman's time comes, whatever report he may wish to make will be proper.

Mr. VURSELL. I want to reply right now, if I may have half a minute.

We were invited to the committee. We got to the committee. The gentleman was explaining the bill when I got in, about 3 minutes late. Of course it was more interesting to hear him explain the bill than it was to begin to read the committee report, and that is the first time I had seen it. Consequently, I took it to the office with me, and an hour after the committee adjourned I started to read the report. I was a little surprised, as was my colleague from Washington [Mr. HORAN], because I had hardly expected the criticism in the report that I found.

Mr. WHITTEN. Let us not get into all that. I have not seen the minority report that the gentleman from Illinois and the gentleman from Washington [Mr. HORAN] wrote. I saw it for the first time yesterday. Those things happen. You are entitled to your view and I am entitled to mine. I am not trying to commit anybody to this. I honestly portrayed the problems as I saw it. I thought and believe now I was substantially following feelings of the members of the committee on it. There is not a difference in the committee on a single dollar in it.

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

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I ask the gentleman this question, and this is only for information. In either October or November, it is my understanding, they sold about $25 million or $30 million worth of cotton to Spain. Is that correct?

Mr. WHITTEN. That is correct.

Mr. SPRINGER. Was that sold at the prevailing price or at a lower price?

Mr. WHITTEN. As I understand, that was sold at prevailing prices. Spain added 20 cents a pound after they bought it. The gentleman understands that because we hold our commodity, cotton, back, so that there is what might be called an immediate shortage, their prices have been considerably above the loan level because a part of the supply was held off the market by the CCC acting for United States of America. So we have had sales because there were not supplies elsewhere. In the last 3 or 4 weeks I have had at least 12 letters from traders in the cotton field, where they sent me letters from Liverpool and elsewhere where every country in the world was underselling our price. As a result, foreign countries, including Russia, are getting the market. So the immediate situation is somewhat different in cotton than with regard to something else.

May I pass on?

Mr. JENSEN. I wish the gentleman would yield to me.

Mr. WHITTEN. I am using too much time, but I cannot deny my friend.

Mr. JENSEN. The gentleman is very fine. He knows I have always held him in the highest regard. I have heard him criticize the Department of Agriculture almost every year, and have thought he was completely justified in doing it. I never thought the gentleman was playing politics when he criticized his own party.

Mr. WHITTEN. I want to say I am not denying the attacks of the present Department on me because it disturbs me any.

Mr. JENSEN. The thing I wanted to ask is, Is it not a fact that the Commodity Credit man by the name of William Lodwick from the great State of Iowa is now in charge of and is selling these commodities in different places in the world? I think he is doing a good job. I understand he just sold some wheat to Chile not long ago at a very good price. There are other sales he has made.

Mr. WHITTEN. I have known lots of good people from Iowa, including Mr. Lodwick, who is the head of the Foreign Agricultural Service and my colleague who is speaking.

Mr. JENSEN. Is it not a fact that they are disposing of considerable amounts of these surpluses at this time?

Mr. WHITTEN. Yes. That is what I want to point out.

Mr. JENSEN. All right.

Mr. WHITTEN. May I repeat that the law provides for certain support levels and provides for the level of sales do-

mestically. That same law provides for sales in world markets competitively, by competitive bids, if it takes that to move them.

We have as a matter of Government policy for a number of years been failing to make our offering price competitive. We have made our support price the world price by offering it either at the prevailing world price or the support level, in effect. So it is a failure of selling it truly competitively that has caused it. The decisions were made by the Secretary according to his testimony. I want to show you who understands what the effect of such policy is. I quote from a speech which was delivered at Bakersfield, Calif., I believe last week by the Secretary of Agriculture:

> And we may as well face the fact that we have an increase in competition in the world cotton market. * * *
>
> Efficient use of excellent land in Central America, for example, has brought about a six-fold increase in cotton production during the past 5 years and a further rise in output can be expected. In the meantime our situation in the United States leaves us no alternative but to call on cotton farmers again to make substantial adjustments in acreage. The Department cannot favor any increase in the national cotton acreage allotment for 1955, under the current supply-and-demand situation.

And he goes on to say this:

> But we may as well face the facts. We must realize that high rigid supports tend to price our cotton out of world markets. They tend to encourage foreign producers more and more to get under our convenient support umbrella.

He pointed out the additional increases in Central America. He says we cannot go along, or rather the Department cannot go along with increased acreage here. Then he says that our umbrella over the world invites it. But what he did not say is the only price control in the law and in the Commodity Credit Corporation is domestic. It is the Secretary of the Department of Agriculture, and the Commodity Credit Corporation which made our support level of price the world level, and yet his own speech shows that he knows the effects of it. In this report I did point out that the Commodity Credit Corporation, a billion dollar corporation, with $7 billion invested, is busy buying and buying and paying storage and paying storage and it is making the domestic sales price the world price by its own actions. When we analyze it, we will find you are not saving a dollar by lowered supports or flexible supports because you are paying out in storage whatever reduced investment you may have gotten, if you had sold it. Why we have cotton on hand that has 8 cents a pound storage charges against it. Do not tell me that it would not have been sound to take a 3-cent loss instead of an 8-cents-per-pound loss, on storage alone. Check the figures. More than half the loss of the Corporation last year consisted of interest, storage charges, and carrying charges on commodities that had never been offered in the world trade on a truly competitive basis.

Now I said that perhaps you could understand a corporation which thought it might follow that policy. If you look, the law provides for a board of directors and a president. The president is the Under Secretary of Agriculture, Mr. Morse. The board of directors are either Assistant Secretaries, Secretaries, or employees. They are all employees of the Department of Agriculture. It is hard for me to see how any able man can think a corporation can continue existing if it is always buying and raising the storage rates it pays, and paying them out, but never selling competitively. It is true that where there are some shortages in the world supply, in which case we move commodities at the present offering price. But it is only in those places where the supply, because we hold ours off, is tight enough for ours to move. So I cannot see any basis for continuing this shortsighted policy or for anybody in the Department wanting to build up this huge investment and these carrying charges and all these storage charges for the purpose of having their way on flexible supports because the administration now has flexible supports in the law. I cannot see that they would go that far in order to pay storage charges to warehousemen because goodness knows they are not entitled to add that cost to the extent of putting American farmers out of business.

But my friend used the word a while ago, the head of the Commodity Credit Corporation, in reporting to our committee on the stewardship of a $7 billion corporation, referred to what they had bartered away and what they had given away and what they had granted, and what the disappearance was. Then he gave us an optimistic note that next year the disposition would be so and so. Is that not a queer way to report to the Congress on the stewardship of a $7 billion corporation? Is it not odd? It certainly is. May I say that when the Department says, "What WHITTEN is recommending means selling for less than we have got in it" they overlook they are giving away our dollars of investment under 480, and by the way they are recommending the appropriation of more money for commodities they would give away. There is only one basis for the determination of many to give away instead of sell, only one. That is, they will get rid of it anyway as long as we do not shake this world umbrella in which Mr. Clayton and Mr. Hohenberger and other big operators are interested. The CCC will let you give millions of dollars worth of commodities away and just ask Congress for an appropriation. They will barter it. They will grant it. But they plead do not make them sell it competitively. Let us hold this umbrella, they say.

Mr. Chairman, the speech which the Secretary made in Bakersfield, Calif., recognizes what causes United States acreage to go overseas. He says it is price supports that are causing the umbrella. But it is the decision of the Department of Agriculture which said that support price was the world price.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Chairman, I will yield myself 3 additional minutes and then I shall close.

I point this out at this time: When Mr. Brannan was Secretary of Agriculture I was chairman of this committee, and I had the Department investigated each and every year. It was our subcommittee, under a Democrat, that uncovered the large grain scandals, and got the information, and reported it to you and to the country. Nobody said that was politics. In this bill we report another investigation of the same Department and now the Department says it is politics. But, Mr. Chairman, the investigation on which this report is based by the gentleman from New York [Mr. TABER], and the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. It is they who selected the investigators. I do not believe they would be playing politics with their own Department of Agriculture. I think it is unfair for anyone to claim any such thing. I released in the hearings and in this report the findings of their investigators.

So much has been said about this report I wish to present it in detail to you now.

Our Committee on Appropriations has submitted the following explanation of the bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1956. The bill covers all estimates contained in the 1956 budget, pages 180 through 192, and 342 through 441.

Our bill includes direct annual appropriations for regular activities of $694,107,434; loan authorizations for the Rural Electrification Administration and the Farmers' Home Administration of $388 million; an administrative expense authorization for the Commodity Credit Corporation of $26 million, together with an appropriation of $1,634,659 for restoration of capital impairment; an appropriation of $184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expense limitations for the Farm Credit Administration of $6,290,000.

The following summary sets forth the committee action with respect to the various items in the bill:

Item	Approved 1955	Estimates, 1956	Recommended 1956	Bill compared with—	
				1955 approved	1956 estimates
Regular activities	$653,129,960	$711,531,958	$694,107,434	+$40,977,474	−$17,424,524
Loan authorizations	363,000,000	377,000,000	388,000,000	+25,000,000	+11,000,000
Commodity Credit Corporation:					
Restoration capital impairment		1,634,659	1,634,659	+1,634,659	
Administrative expenses	25,290,000	26,000,000	26,000,000	+710,000	
Special activities	331,500	184,517,957	184,517,957	184,186,457	
Farm Credit Administration	6,250,000	6,290,000	6,290,000	+40,000	

THE SITUATION FACING AMERICAN AGRICULTURE

In approaching the budget for the Department of Agriculture for the coming fiscal year, the committee has been aware of the many serious difficulties facing American agriculture at the present time. Within budget limits, the committee has attempted to provide sufficient funds for those agencies of the Department which can most help the farmer to continue to provide the Nation's food and fiber, which give us our high standard of living, and which can continue to encourage efforts to protect the Nation's soil and natural resources. The committee recognizes that, in the final analysis, the farmers' net income will determine whether he can continue on the farm and whether he can continue to spend money to protect the Nation's resources. It is these factors which cause the committee much concern under present conditions.

While salaries and wages generally have increased in recent years, and while the President is recommending a minimum wage of 90 cents per hour, the income of those Americans engaged in agriculture has been dropping steadily each year. The prices of farm products have declined about 7 percent in the past 2 years. They have dropped 22 percent since February 1951. The cost of farming continues to increase, with a 14-percent increase in prices paid by farmers during the past 5 years. The net farm income in 1954 was down nearly 20 percent from 1951.

As a result of this price-cost squeeze, the value of United States agricultural assets dropped from $170.1 billion on January 1, 1952, to an estimated $162.3 billion on January 1, 1955, a loss of $7.8 billion, or 5 percent. During this period, the value of farm real estate dropped nearly $4 billion or 4 percent, and the value of livestock declined $8 billion, or more than 40 percent. Also, the farm-mortgage debt has nearly doubled since 1945.

While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

While the consumer is getting more and better food for his money than ever before in history, the share of the food dollar going to the agricultural producer is decreasing. Since 1945, the farmers' share of the consumer dollar has gone down from 54 percent to 43 percent. With constantly increasing costs of transportation, processing, and distribution, the prospects are that this trend will continue, unless strong efforts are made by Congress, the Commodity Credit Corporation, and the Department of Agriculture to halt it. Despite lower prices on the farm, consumer prices on most foods have increased or remained about the same, indicating that the decrease in the share of the consumer dollar going to the farmer is resulting in additional income to the processing and distribution system.

In certain parts of the country, particularly the South, the situation resulting from reductions in acreage allotments is deplorable. A special survey made recently by the Department at the request of the committee shows that, as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms, with no homes and limited employment possibilities. This survey also indicates that some 130,000 farm families, with gross incomes of $1,000 or less, will suffer further losses of $100 or more this year. Similar situations exist with regard to other farm commodities in other sections.

The Secretary points out that, with fewer farmers, the gross farm income divided by the number of fewer farmers means the farm picture is brighter than many believe. The committee cannot subscribe to such reasoning.

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to, one, support farm prices within the terms of the law; and, two, protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a business-like basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5 (f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restrictions on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to $10 billion to support farm commodities. At the present time, it has invested over 7 billions of dollars in such commodities. From this, it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its—the people's—investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly $3.7 billion of such commodities have never been offered for sale abroad at competitive prices. And storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade, if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about $500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the president and board of directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result, the Corporation is placed in the position of a residual supplier. This is borne out by the following statement contained in a news release of the Department dated February 1954:

> The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out.

While the price support law fixes the domestic price of Commodity Credit Corporation sales of basic commodities at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities in

world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the $588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about $224 million represents storage, warehousing and transportation costs, and $102.9 million represents administrative, interest, and similar costs. Of this amount, $197 million covers storage and related costs on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include wheat, corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of $3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for 1 year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee finds that this $10 billion corporation, which now has over $7 billion invested, does not have a sales manager or a sales organization. Actually, it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, Government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save Government money by selling to the highest bidder. Generally speaking, the Corporation does not do that either at home or abroad. Almost 100 percent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling $500 million.

Certainly, the operating heads of this $10 billion Corporation must realize that, with over $7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the charter itself gives unlimited authority to sell on such a basis.

The charter of the Corporation provides for a president and board of directors. These officials are Ezra Taft Benson, Director, Secretary of Agriculture; True D. Morse, President, Under Secretary of Agriculture; James A. McConnell, Director, Assistant Secretary of Agriculture; Ervin L. Peterson, Director, Assistant Secretary of Agriculture; Earl L. Butz, Director, Assistant Secretary of Agriculture; O. V. Wells, Director, Administrator of AMS; R. L. Farrington, Director, Solicitor of Agriculture.

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had bartered, how much it had granted, and how much it had given away. He then discussed how much the disappearance was, and in an optimistic note commented on what the current year's dispositions will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the executive department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price-support program.

From the Department's testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a giveaway basis, CCC offerings in world trade are made at such a high-pegged-price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of productive goals and the lowering of price support levels. Already, cotton not offered in world trade on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in 2 years. As pointed out earlier, due to such restrictions imposed this year alone, more than 55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of $1,000 or less reduced to around $900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent, while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and know-how. The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the effect of these matters on the Nation's economy. Department of Agriculture estimates indicate that the direct loss to the farmers, resulting from acreage reductions in 1954, could run as high as $1.2 billion. There is considerable evidence to indicate that each dollar produced on the farm adds $7 to the income of the rest of the people of the country. On this basis, the loss to the Nation's economy due to curtailed agricultural production this year could be as much as $8½ billion.

Some evidence of the Department's realization of the effect on our general economy of holding commodities off world markets with resulting acreage reductions is contained in a speech delivered by Under Secretary Morse, who doubles as President of CCC, in North Carolina last June. On page 6 of his speech he states:

To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil, and all the other supplies and services that are required to keep farms in full production. North Carolina industries will feel the effects of any extended slowing down or reduction in agricultural production.

Further evidence of our national loss, due to current policies of not selling these farm commodities, is found in a recent statement released by CARE, which reads as follows:

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the Board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corp.; H. J. Heinz, and others equally successful, such policy costs the United States $700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities.

Despite its realization of these conditions, the Department has failed to sell these commodities, even though it has authority to sell.

INADEQUACY OF DEPARTMENT'S REMEDY

Hope for a solution to the many problems of agriculture is offered by the Department in the form of more research and education. The committee agrees that these are valuable programs, which offer help to the farmer on a long-range basis. It feels, however, that other more immediate solutions must be found if the farmer is to be carried through the present crisis of falling farm prices, rising farm costs, and reduced production. It is extremely doubtful that a research worker or an extension agent can help a farmer make a living on 3 to 5 acres of commercial crops under present conditions.

The Department offers further hope to the farmer in the form of off-farm employment. The Department's position on this is contained in a speech recently delivered by Under Secretary Morse at Lexington, Ky., in which he stated:

Perhaps one reason for this sound management of finances by farmers is the increasing extent to which farmers and their families are taking advantage of off-farm employment.

While it may be that some off-farm income is necessary under present conditions to enable the farmer and his family to exist, the committee believes that the policies of the Department should be such as to make farming a satisfactory means of livelihood for those who have spent their life in that occupation. It cannot subscribe to policies which depress United States farm income and encourage the expansion of foreign production at the expense of United States production.

In this connection, the committee's report on the hearings held in January on Commodity Credit Corporation operations is quoted, as follows:

In the opinion of a majority of the members of the committee, actions of the Department to reduce price supports, change parity formulas, and reduce acreage allotments will not cure the problem of the increasing commodity holdings of the corporation. They believe that this difficulty is due to the failure of the corporation to discharge its responsibility under its charter to sell its commodities competitively in world markets. Testimony before the committee shows that none of the large stocks of cotton, cheese, corn, rice, seeds, naval stores, tobacco and wool have been or are being offered for sale on a competitive basis, despite basic authority in law to do so.

The program for moving commodities under Pubic Law 480, for which much is claimed, actually is a means of giving commodities away in preference to attempting to sell them through normal trade channels. It involves prior clearance from a committee composed primarily of representatives of nonagricultural interests, (Commerce, State and other Departments) which is a serious hurdle in getting agricultural commodities exported. Also, under the law, the major portion of the local currencies received for commodities shipped abroad will be used for foreign aid purposes in the countries from which received.

The majority of the committee feels that steps should be taken as early as practicable to begin the movement of these commodities into world markets on a competitive bid basis through American exporters. The committee also feels that an immediate announcement of such change in policy should be made to discourage further increase in foreign production to the detriment of American farmers.

Such an action will eventually make possible reductions in administrative costs of the corporation. It should also help to correct the present practice of making competitors out of former customers and should benefit foreign consumers who have a real need for products surplus to United States domestic needs. Further and most important, it will enable the American farmer to compete with foreign producers and make additional acreage available to relieve undue hardships existing in many areas of the country under present orders.

The committee fully recognizes that CCC stocks have been held so long and have built up to such quantities that we must move them back into world markets gradually. Statements by the Department to the effect that offering to sell on a competitive bid basis might drive world prices down drastically, could easily be met by providing in the Department's initial announcement that bids below a certain level would not be accepted. By this means full control would be retained by the Corporation.

NEED FOR ACTION PROGRAMS

As was the case a year ago, the committee again had presented to it a budget sharply curtailing certain of the action programs of the Department. Reductions proposed for 1956 include the following:

Plant and animal disease and pest control	$435,579
Soil Conservation Service operations	1,872,379
Flood prevention	495,292
Inspection of fresh fruits, vegetables, poultry, and eggs	320,000
School-lunch program	15,236,197
Total	18,359,447

The committee has again restored the proposed reductions in these programs. It feels that sharp curtailments in the action programs, which were established to put the results of research and education to work on the farms of the country, would be a serious mistake in view of the difficulties facing agriculture at this time and the possibility of further reductions in farm income next year. Further, it is impressed with the fact that these programs relate directly to our three greatest assets—children, soil and water—and expansion rather than retraction can be readily justified.

The proposal of the Department to eliminate funds for the purchase and distribution of commodities under section 6 of the School Lunch Act is based on the assumption that a sufficient quantity of surplus foods will be available under section 32 funds to meet the need. This same proposal was offered in support of a similar budget cut a year ago. Actual performance so far this years shows that the Department reduced substantially its food purchases and, in many areas of the country, the amount of food distributed to schools from section 32 funds has decreased rather than increased as indicated. The committee can see nothing to indicate a substantial change in this situation during the coming year. Further, the type of commodities available through section 32 are generally not the same as those purchased under section 6. In order to meet nutritional requirements and provide a balanced diet, section 6 funds are important, particularly with respect to fresh fruits and vegetables.

The committee deplores the Department's failure in recent years to use section 32 to support markets temporarily in distress. Not only has this resulted in substantial economic loss to the Nation, but it has also amounted to further curtailment of the school lunch program. The Secretary is urged to use this fund, as intended by Congress, to strengthen chaotic markets and to supplement commodities available to the school lunch program from this source.

The committee is recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide a modest increase for technical service to the 58 new soil conservation districts to be established next year. The committee cannot ignore the past loss of 40 percent of our cropland and the present damage that is occurring every day. Neither can it overlook the difficult problems facing many areas of the Country due to prolonged drought and resulting dust storms. It is noted that the Budget Bureau, which reduced the regular funds for this purpose, approved $15 million last year for emergency conservation measures in drought areas. The committee believes it more sound to prevent or to attempt to prevent such situations from arising, than to meet them after the damage has been done.

In the opinion of the committee, work on the 11 approved watersheds under flood prevention is falling far behind a satisfactory and economical rate of progress. Further, it is apparent that expansion of this type of conservation effort to other areas of the country through the watershed protection appropriation is not proceeding rapidly enough to meet the real need and demand for such work. Testimony indicates that, at the present rate of progress, it will take many years to complete the projects authorized in 1936. And it is impossible to estimate how long it will take to meet even a small portion of the need in other areas of the country for similar watershed projects, on the basis of present appropriations. Accordingly, the bill provides sufficient funds to restore the reduction in Flood Prevention funds and to increase by a nominal amount the work on this and the Watershed Protection program.

Proposed reductions in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry and eggs have also been restored. The committee is convinced that the benefits to the Nation from free and unhampered movement of products in interstate commerce are such as to warrant continued participation by the Federal Government in the insect and animal disease control programs. It believes that firm plans must be worked out to assure adequate financing and uniform quarantine regulations among the States, before the Federal Government can withdraw further from this activity. With respect to the inspection programs, the committee members have agreed that no budget reductions are advisable until a complete review of the policy relative to all inspection activities have been considered by the Department of Agriculture and the Congress.

Agricultural Research Service

Appropriations, 1955	$89,690,287
Estimates, 1956	95,916,708
Recommended, 1956	95,728,708
Comparison:	
1955 appropriations	+6,038,421
1956 estimates	−188,000

The Agricultural Research Service conducts all of the production and utilization research of the Department (except forestry research), and the inspection, disease, and pest control, and eradication work associated with this research. The Administrator of this Service is responsible for the coordination of all research in the Department.

Research: The committee recommends a total of $37 million for 1956, an increase of $1,178,000 over appropriations for 1955 and a reduction from the budget of $684,000. The increase recommended will provide additional funds for nearly every phase of research activity conducted under this appropriation, and is in addition to the nearly $2,900,000 increase provided for these same purposes last year.

As pointed out earlier in this report, one of the principal solutions offered by the Department for the many problems presently facing the farmer is additional research. The committee recognizes the value of research to agricultural progress in the United States and has approved the large increase set forth above. The reduction in the budget has been made in view of evidence that some of the funds under this heading are being used on research of doubtful value. Reports from committee investigators and testimony developed during the hearings indicate that research funds provided last year have been used for such projects as "Flora of Dominica," and "orchids of Guatemala." Evidence also indicates that funds are being used to finance research projects adopted primarily for the benefit of the personnel engaged in such research. The committee doubts that Congress is aware that funds are being spent on such projects as "rural sociology," "family utilization of clothing in Minnesota," and "the difference in clothing worn by city and farm families in Kansas." Accordingly, it does not feel justified in recommending to Congress the full budget estimate provided in the 1956 budget.

Of the funds provided, the sum of $200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. It is hoped that such a study will enable the Department and the Congress to determine policies and solutions for, first, the economic problems created by falling farm income and production on individual farms, and second, the proper use of diverted acres resulting from acreage reductions.

The committee believes that the large increase for 1956 will provide sufficient funds to enable the Department to give more attention to the problems of the bee-keeping industry. The importance of bees to proper pollination of crops is well recognized, and it would seem that work on this subject would be an important phase of any research intended to improve crop production.

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

Several individual projects of a major nature such as a new research laboratory at Winterhaven, Fla., and a national seed-storage facility, have been proposed by interested members for inclusion in the appropriation bill for 1956. Neither of these proposals were included in the budget by the Department or the Bureau of the Budget. The committee recognizes the fine research work that has been done in Florida, and realizes the need for more adequate research facilities in many areas of the country. It feels that insufficient attention has been given to a nationwide building program and urges the Department to make a special study of this matter in the coming year, taking into account priority of need throughout the country and the extent to which local financial support is available. The committee does not feel justified in initiating individual projects of a major nature in the absence of such an overall study.

The recent action deemphasizing home economics research should also be given further consideration by the Department. Testimony from persons engaged in home demonstration work with farm families indicates that some part of the funds provided this bureau should be used on such projects as "household food consumption" and "family budgets and expenditures," within funds provided in the appropriation for 1956. According to information presented to the committee, six of the bulletins most frequently used by home-makers of the country are on these subjects. The units of the Department engaged in such research appear to be the chief source of bulletins and other material of this type.

Plant and animal disease and pest control: A total of $17,750,000 is recommended for 1956. This is an increase of $496,000 above the budget estimates, and a decrease of $439,579 below current funds—including a supplemental of $500,000 to meet a grasshopper emergency in the West. The committee has restored funds for these control programs in order to give the Department sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. The committee recognizes that some Federal participation in these programs will always be necessary to assure free and unhampered interstate shipment of agricultural products.

Language has been included in the bill to permit furnishing of uniforms, as authorized in the fringe-benefits bill adopted last year, to plant quarantine inspectors who are required to wear uniforms as a means of identification.

The funds approved for next year should be sufficient to provide full supervision and inspection for products used in hog cholera control. This disease is still a serious problem in many areas of the country and adequate inspection of these products is essential to the protection of this important segment of agriculture.

Meat inspection: The committee recommends the full budget estimate of $14,325,000 for this program for 1956. This will permit continuation of the program at the same level as authorized for 1955.

Payments to States, Hawaii, Alaska, and Puerto Rico: The full budget estimate of $24,753,708 is recommended for grants to the State experiment stations

for 1956. This is an increase of $5,300,000 over the appropriations authorized for 1955. An increase of nearly $6 million was provided last year for this purpose.

Since research is offered by the Department as one of the principal cures for present problems of agriculture, the full increase for the research activities of the State experiment stations has been allowed. While it has some doubts as to whether or not this is the real answer to the problems facing the farmers of the Nation, the committee feels that the Secretary should have every opportunity to find the answer to farm problems through this means.

The committee has demonstrated at every opportunity in the past that it believes strongly in this work. Increases from $7 million in 1947 to over $19 million in 1955 attest to this fact. At the same time, members of the committee feel that some of the work being carried out under this program is of doubtful value. They believe that a more careful screening of the various research projects is needed if additional increases are to be requested each year. The committee doubts that Members of Congress are aware that they have been supporting large increases in this appropriation each year for such research projects as "rural population dynamics," "methodology," and "patterns of child rearing in southern families and their relation to the personality development of children."

The committee realizes that the Department cannot initiate research projects under this appropriation, and recognizes the difficulties involved in attempting to restrict or eliminate lines of work which the State experiment stations wish to undertake. Nevertheless, the Secretary is urged to institute a stronger and more thorough review of research programs under this heading in order to curtail duplication of effort and eliminate less essential work. The committee also feels that this program should be administered in such a manner as to assure that Federal funds are fully matched by the States.

Foot-and-mouth and other contagious diseases of animals and poultry: The full budget estimate of $1,900,000 is recommended for the foot-and-mouth disease research program at Plum Island. This will permit continuation of the program at the current level. When the main laboratory facilities now under construction are completed, a larger research program will probably be required.

Extension Service

Appropriations, 1955	$43,537,500
Estimates, 1956	49,337,500
Recommended, 1956	48,895,000
Comparison:	
1955 appropriatins	+5,357,500
1956 estimates	−442,500

The function of the Extension Service is to take research results and other agricultural information to rural people in a manner that effectively meets the farm and family needs. The Cooperative Extension Service is financed from Federal, State, county, and local sources. The funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct among rural people the educational programs of the Department.

Payments to States, Hawaii, Alaska, and Puerto Rico: The budget request of $45,475,000 is recommended for 1956 for payments to State land-grant colleges for extension activities. This is an increase of $5,800,000 over funds available for the current fiscal year. The amount approved provides an increase of $5,493,000 for additional State and county extension workers, and an increase of $395,000 for additional educational work in the marketing field. These are offset by a reduction of $88,000, due to shifting the farm forestry extension work to the regular funds of the Extension Service.

Here again the committee has gone along with the full budget request in view of the Department's hope that this program will enable the farmer to meet his problems and remain on the farm. The value of this work has long been recognized by the Congress and every opportunity has been taken by the committee to strengthen it. This is indicated by the fact that the appropriations for this purpose have increased over 45 percent since 1947. While the committee cannot fully accept the Department's position that research and extension offer the only answers to the present ills of agriculture, it has recommended the full increase in order to enable the Secretary to carry out the program on the basis proposed by him.

Reports from committee investigators and testimony before the committee raise several basic questions regarding the use of additional funds of $7.5 million appropriated for this program a year ago. A survey made in Texas last year revealed that, while State extension officials had no firm plans for the use of the increases approved for 1955, they thought they might be able to make use of the money to "expand the educational program so that people would be informed through the Extension Service regarding international affairs."

The report also raised a question concerning the ultimate goal of the Extension Service. It developed evidence that, while the program's traditional role has been one of education, it now is being extended into the activities of the various action agencies, such as the Soil Conservation Service and the Farmers Home Administration. It also reported that 5 additional county agents have been added to certain experimental counties in the South on the basis of 1 agent for each 50 farm families. It pointed out that the expansion of such a plan to the 5 million farm units throughout the country would ultimately result in the employment of 100,000 extension agents and 50,000 home demonstration agents. While the Department's witnesses disclaimed any such objectives, the committee feels that this experimental program should be watched very closely. Large increases are being proposed for this activity each year with no evidence of a clear-cut plan for leveling off at a point which can be supported by Federal funds.

Testimony presented to the committee indicates a need for an intensified educational program among agriculture producers on grain sanitation problems. In the opinion of the committee, the large increase recommended for the coming fiscal year should make it possible to develop and carry out a program to meet this need.

Federal Extension Service: The committee recommends $3,420,000 for 1955, a decrease of $442,500 below the budget estimate and the 1955 appropriation. On the basis of amounts expended in fiscal year 1954 and obligated to date this year for penalty mail, it is believed that the reduction can be absorbed without any difficulty.

Farmer Cooperative Service

Appropriation, 1955	$408,000
Estimate, 1956	408,000
Recommended, 1956	408,000

The Farmer Cooperative Service was established by the Farm Credit Act of 1953, which transferred the research and technical assistance work for farmers marketing, purchasing, and service cooperatives from the Farm Credit Administration to the Secretary of Agriculture. The Service conducts research and carries on related service and educational activities on problems of organization, financing, management, merchandising, product quality improvement, costs, efficiency, and membership. It works closely with cooperatives throughout the country to help the 3 million farmers who are members of such organizations improve the operations of their businesses. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The committee recommends the full budget of $408,000 for 1956, to permit the continuation of this program at the present level.

Soil Conservation Service

Appropriations, 1955	$74,453,871
Estimates, 1956	75,396,200
Recommended, 1956	80,612,579
Comparison:	
1955 appropriations	+6,158,708
1956 estimates	+5,216,379

The Soil Conservation Service assists soil conservation districts and other cooperators in providing technical aid to farmers and ranchers in bringing about physical adjustments and land use that will conserve soil and water resources, provide economic production on a sustained basis, and reduce damages from floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection programs in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations: The committee recommends an appropriation of $58,612,579 for 1956, an increase of $1,044,000 above the 1955 appropriation and an increase of $2,916,379 above the budget estimate. The committee does not agree with the proposed reductions contained in the 1956 budget and has restored the full amount cut. In addition, it has added $1,044,000 to finance technical service to the 58 new soil con-

servation districts expected to be established during the coming fiscal year. The committee members believe that the past record of this fine organization and the serious drought and dustbowl problems facing the country fully support this action.

The committee is disturbed by evidence of efforts to gradually eliminate this program. Apparently a task force of the Commission on Intergovernmental Relations intends to recommend that this organization be abolished and its work be turned over to the State extension service or something similar. While the Department has not yet received such recommendations officially, it understood that the Secretary is represented on the Commission and is aware of these developments. Certain factors tend to indicate some sympathy within the Department and the Bureau of the Budget for the reported position of the Commission. The budget cuts proposed each year in this program provide some basis for this conclusion. They also indicate a complete lack of appreciation by the executive branch of the generally recognized need for increased attention to conservation throughout the country. It is requested that the committee be notified by the Department as soon as official recommendations are received from the Commission, so that appropriate congressional action can be considered.

The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

Watershed protection and flood prevention: Amounts recommended for 1956 for these two programs are $12 million for watershed protection and $10 million for flood prevention. The amount proposed for watershed protection is $1 million over the budget estimate and $4,790,000 above the 1955 appropriation. The recommendation for flood prevention provides an increase of $804,708 above 1955 and $1,300,000 above the budget estimate.

As discussed earlier in this report, the committee is firmly convinced that some increase in these programs is fully justified. All testimony received indicates the urgent need to speed up these programs to meet the public demand throughout the country for upstream watershed work. In view of the failure of the executive branch to recognize this need, Congress must take the initiative and provide adequate funds to assure a reasonable rate of progress in this work.

Construction on the 11 watersheds authorized in 1936 is only 20 to 25 percent complete after nearly 20 years. At the present rate of progress, they will require an additional 50 years or more to complete. Further, the number of watersheds on which work is under way under existing watershed protection programs is only a small fraction of the watersheds throughout the Nation which need such attention and for which local support has been or will be pledged on a full matching basis. The delay appears to be due entirely to the lack of adequate Federal funds, since local contributions in the form of money and land easements have been more than adequate to match all Federal expenditures to date.

Funds contained in the flood prevention appropriation for the Yazoo and Little Tallahatchie Watersheds shall be used for the portions of work covered in the flood survey reports and defined as "additional measures to accelerate flood prevention" to the full extent necessary to keep the overall flood prevention program in balance.

Agriculture Conservation Program Service

Appropriation, 1955	$191,700,000
Estimate, 1956	250,000,000
Recommended, 1956	214,500,000
Comparison:	
1955 appropriation	+22,800,000
1956 estimate	−35,500,000

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by wind and water, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost sharing assistance to individual farmers and ranchers in all of the 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands for carrying out approved soil building and soil and water conserving practices on their farms. Allocations are made to the States based upon conservation needs.

An appropriation of $214,500,000 is recommended for 1956, a reduction of $35,500,000 below the budget estimates. The amount recommended will provide adequate funds to meet all commitments made to participants in the program under the 1955 program authorized last year. The reduction is made possible by a carryover of unused funds from the 1953 program. The action of the committee will not result in a failure to meet obligations incurred under prior year authorizations, and it should not be considered as a basis for reductions in the size of this program in the future.

The advance authorization for the 1956 program is recommended at this year's level of $250 million. This amount, which is $75 million higher than that requested in the budget, is recommended by the committee to assure adequate protection of the Nation's greatest natural resource, the soil, in the face of constantly falling farm income. The committee is certain that the difficulties facing the farmers of the country, such as falling farm prices and rising farm costs, will have a definite tendency to reduce conservation effort during the coming year, unless the Federal Government continues to provide strong leadership and adequate financial encouragement to induce farmers to continue their part of the program. The committee feels strongly that reduced attention to the Nation's conservation efforts during this period of severe drought and dust storms would be a serious mistake and an irreparable blow to future generations of Americans.

The committee has not agreed to the budget language restricting the use of funds for small payment increases authorized by the basic law. The objective of this program is to get conservation work done on the land, and some special consideration must be given to the small farmer to enable him to participate on a satisfactory basis. It is frequently this type of land which needs conservation attention the most. The committee feels that handling the small payment increase along with regular payments would result in the administrative improvements desired by the Department.

Agricultural Marketing Service

Appropriations, 1955	$106,376,352
Estimates, 1956	91,396,000
Recommended, 1956	107,027,197
Comparison:	
1955 appropriations	+650,845
1956 estimates	+15,631,197

The Agricultural Marketing Service is organized to aid in advancing the orderly and efficient marketing of the effective distribution of products from the Nation's farms. The marketing and distribution functions of the Department, which are centered in this Service, include research and development of agricultural marketing and distribution; analyses relating to farm prices, income and population, and demand for farm products; crop and livestock estimates and related statistical and economic research; market news service; standardization, inspection, grading and classing of farm products; freight rate assistance; marketing and regulatory acts (including marketing agreements and orders); cooperative programs in marketing; the national school lunch program; surplus removal programs under section 32 of the Agricultural Adjustment Act; food trade activities; and other assigned responsibilities related to agricultural marketing and distribution.

Marketing research and service: A total of $22,791,000 is recommended for 1956, an increase of $992,500 over 1955 and $395,000 over the budget estimate. This amount includes $10,981,000 for marketing research and agricultural estimates and $11,810,000 for marketing services.

The committee has approved the full budget estimate for research and agricultural estimates, which provides an additional $758,000 over funds available in fiscal year 1955. The full increase requested has been approved because of the Secretary's belief that increased research holds the principal hope for meeting present-day farm problems, and because of the committee's desire to allow the Secretary sufficient funds to determine the accuracy of his position.

The committee has ear-marked $1 million of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumer's food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time. The committee believes that research efforts to offset the loss of farm income through improved practices on the farm can only partially meet the problem. Therefore, it feels that more attention should be given to research on that portion of the consumer's food dollar that goes to the transportation, processing and distribution system. It requests that this study be

initiated immediately to develop information on a few of the major food crops in several different areas of the country for the period 1945 to date. The committee also feels that a portion of these funds should be used for the dissemination of this type of information to the consuming public to develop a better understanding of the extent to which such factors as freight rate increases, antiquated terminal markets and special processing and packaging of foods adds to the retail prices paid by the consumer.

In the opinion of the committee, there is strong justification and demand for reinstatement of the July crop reports for popcorn and honey products. Testimony received from officials of the Department indicates that these reports were dropped due to lack of funds. It is recommended, therefore, that a portion of the increase provided under this head be used to reinstate this service.

The amount recommended for marketing services provides for the restoration of funds deleted by the budget for inspection and grading of fresh fruits, vegetables, poultry, and eggs. The committee feels that this work should be continued on the present basis until the Department and the Congress have taken further action on inspection services for all commodities.

The funds include an increase of $200,000 for market news services. The committee has allowed the full budget increase of $125,000 to initiate this work in 7 new locations. Also, it has allowed an additional $75,000 to permit establishment of offices in some of the other locations where market news services are needed as indicated by the testimony presented during the hearings. It is understood that the necessary local matching funds have been pledged in all cases.

A problem with respect to the administration of the Packers and Stockyards Act was brought to the committeee's attention during the hearings. Testimony developed the fact that, due to restrictions established several years ago, the inspection and posting of stockyards in Texas is not handled on the same basis as in southern Oklahoma. The additional expense to cattle markets regulated under the act puts them at a distinct disadvantage with competitors in contiguous areas. The committee feels that such an arrangement is inequitable and represents a threat to this program. It believes that this matter should be given immediate attention by the Department so that firm recommendations can be submitted to the appropriate committees of Congress to remedy this situation.

Payments to States, Territories, and possessions. The full budget estimate of $1 million is recommended for 1956, an increase of $100,000 over funds available for 1955. The increase covers additional funds to the States for assistance in applying research results and improved marketing practices to the marketing of farm products.

School-lunch program. The committee recommends restoration of the budget cut in order to permit this program to be continued at this year's level of $83,236,197.

The committee received a great deal of testimony on this subject. Much of it indicated the need for additional amounts above those approved to meet the increasing number of schoolchildren participating in the program and the constantly rising food costs. Many Members of Congress, many representatives of organizations working with schoolchildren, and many representatives of school cafeterias throughout the country appeared before the committee strongly supporting full restoration of the budget reduction. All farm organizations and similar groups appearing before the committee also recommended against the proposed reduction.

As was the case last year, the reduction was based on the assumption that the loss of section 6 purchases would be fully offset by the availability of commodities from section 32 funds. This position appears to be based entirely on speculation, since the latest figures available indicate that the distribution of commodities to schools during the present school year will fall as much as 28 percent below the previous year. The committee believes that this program is too important to the welfare of the Nation to make reductions on the basis of assumptions which have not been sound in the past.

Also, it is generally recognized that section 6 purchases are necessary to provide the balanced type of meals required by this program. A great many of the commodities available from section 32 funds are not identical in kind or in nutritional characteristics with those available from purchases under section 6. This is particularly true in connection with fresh fruits and vegetables.

Congress created the section 32 fund to provide some measure of price support for commodities not under regular support programs, particularly perishables. As provided by the basic legislation, the program was established to "(1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof, or of indemnities for losses incurred in connection with such exportation, or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption."

Congress has given this program full support through the years. It has repeatedly taken action to make certain that the funds for this purpose are not diverted to other programs. It has frequently reaffirmed the basis for the fund—to stabilize chaotic markets by removing, or announcing an intention to remove, a portion of the temporary surplus from the markets.

It is disturbing to the committee to see the Department's failure to use this program as intended by Congress, despite the fact that adequate funds have been available to meet all needs. In the opinion of the committee, the Department's decision not to meet such situations as the disastrous collapse of egg prices last fall, through the removal of small quantities of the product from those markets temporarily in distress, was a serious mistake and a severe economic blow to the poultry producers of the country.

The committee urges the Secretary to change his policies in this regard. Proper use of this fund will benefit the entire economy of the country as well as the agricultural producer. Further, it will make more food available to the school-lunch program through section 32 purchases, as has been proposed in the last two budgets presented to this committee.

Foreign Agricultural Service

Appropriation, 1955	$2,515,000
Estimate, 1956	3,365,000
Recommended, 1956	3,365,000
Comparison: 1955 appropriation	+850,000

The Foreign Agricultural Service administers the foreign agricultural programs of the Department and develops plans and policies related to the administration of the foreign affairs and interests of United States agriculture. It disseminates to American agriculture the basic information essential to the aggressive foreign marketing of United States agricultural products and to making necessary adjustments to meet changing situations abroad. The Service conducts a broad program designed to develop foreign outlets for the agricultural products and analyzes competition and demand factors relating to foreign marketing. It also directs and coordinates the continuous economic analysis and interpretation of world conditions and developments that significantly affect the retention and expansion of foreign markets for American products. The Service directs and coordinates a worldwide agricultural attaché service, with particular emphasis on the development of markets for American products, and on trade reporting from foreign areas designed to aid American farmers and exporters.

In allowing the full budget request for 1956, the committee has taken into consideration the urgent need to solve one of the most acute problems now facing the American farmer. This is the need to reduce the large stocks of commodities in the hands of the Commodity Credit Corporation by sales in world trade. The committee believes that the expansion of this service, and the increased activities in foreign markets by private United States agricultural representatives which should result, will help the United States to move back into world markets on a basis which will encourage foreign purchases of United States agricultural commodities.

The committee has earmarked $500,000 of the funds approved for 1956, for use

in gathering and keeping current information on foreign agricultural production from 1946 to date, and for conducting a study of agricultural programs and policies in other countries throughout the world designed to move agricultural commodities into world trade on a competitive basis. The committee believes that such a study is essential to the development of a program to meet the competitive situation facing American agriculture abroad. It becomes increasingly apparent that Congress must be fully informed as to the world picture in order to determine our farm policies at home. Testimony before the committee disclosed that such information is inadequate. The committee requests the periodic reports on the findings from this study be furnished to the appropriate committees of Congress.

Commodity Exchange Authority

Appropriation, 1955	$693,000
Estimate, 1956	698,000
Recommended, 1956	698,000
Comparison: 1955 appropriation	+5,000

The objectives of this program are to prevent commodity price manipulation and corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The additional $5,000 recommended for the fiscal year 1956 is provided to place on a full year basis the regulation of futures trading in wool initiated last fall under provisions of Public Law 690 adopted in the last Congress.

Representations have been made to the committee that much improvement could be made in the handling of futures markets, if the number of points for delivery of commodities under futures contracts were increased and located more conveniently. Testimony before the committee also indicates a need for more and better consumer education with reference to official grades and standards of various agricultural commodities. The record further indicates a need to increase the penalties for violations of the Commodity Exchange Act. The committee recommends that the Department give these matters further attention during the coming year, so that appropriate action can be taken by Congress, where necessary, to improve or correct these conditions.

Commodity Stabilization Service

Appropriations, 1955	$100,850,000
Estimates, 1956	100,600,000
Recommended, 1956	98,600,000
Comparison:	
1955 appropriations	−2,250,000
1956 estimates	−2,000,000

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the agricultural adjustment programs, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Considerable attention was given during the hearings to the operations of this large and complicated organization. The respective roles of the Washington office, the State offices and the county committees were discussed at length. Findings and observations developed by committee investigators were considered, including numerous examples of administrative deficiencies, excessive operating costs, lack of personnel training and supervision, and inadequate sales policies. Also, attention was directed to various instances cited of inadequate inspection procedures, heavy losses due to careless handling and storage of commodities, and questionable practices followed in the procurement of equipment and related items. Evidence was developed indicating that the same operating negligence and administrative irresponsibility resulting in the widespread grain scandals revealed by investigations of this committee a few years ago are still in existence. Information was also presented indicating that grain bins have been recently purchased from some of the same concerns which delivered poor quality structures under similar contracts on previous occasions.

It is difficult to understand how a program which has been in operation for nearly 20 years can still be in such a chaotic condition. And it is hard to understand how many of the same conditions discovered a few years ago have been allowed to continue, with no apparent effort to correct or eliminate them. In the opinion of the committee there can be no excuse for the existence of the same lack of administrative judgment and questionable practices which so seriously damaged the programs under the jurisdiction of this agency a few years back.

The committee urges the Secretary to look into these matters immediately and to take strong and forceful action to correct the unsatisfactory conditions discovered. It is important that steps be taken to protect the reputation and standing of this arm of the Department and to prevent further damage to the farm programs of the Nation.

Some of the difficulties here appear to result from the divided responsibility between the Washington office, the State offices, and the county offices. The line of authority running from Washington to the field appears to be weak and the supervision of field establishments appears to be almost nonexistent. Also, many of the difficulties seem to result from poor management and personnel practices in the county offices.

It is the belief of the committee that considerable improvement in the operations of this farflung and important agency would result from a change in personnel policies in the county offices. It is recommended that the regular full-time employees of these offices be required to meet civil-service qualifications for comparable work and be paid on a basis comparable to regular Federal salaries. Such a change should enable the Department to hold personnel in the county offices fully responsible for the performance of their duties. Also, it should help to reduce present turnover and should help in the recruiting of qualified personnel. In addition to correcting many of the administrative deficiencies noted in the investigator's report, such a plan should increase employee efficiency and morale and should result in greater economy in the use of Federal funds. In the committee's opinion, the added salary costs could be fully covered from savings resulting from such a change.

Agricultural adjustment programs: The budget estimate of $39 million is recommended for 1956, a reduction of $2,250,000 below the 1955 level of operation. This reduction is possible due to decreased workload in connection with the establishment of wheat allotments in certain areas and due to a decrease in a number of wheat counties to be covered next year.

Sugar Act program: The committee recommends $59,600,000 for 1956, a reduction of $2 million below the budget estimate. Since the funds for this program are based entirely on projected estimates of sugar production, it is felt that the appropriation should be held at the 1955 level until firmer production figures are available.

These funds, which are expended under the Sugar Act of 1948, are used to establish consumption requirements, administer quotas, and make payments to domestic producers of cane and beet sugar who meet specified conditions. From the inception of the program in 1938 through the fiscal year 1954, collections of excise and import taxes have totaled $1,216,248,861, while expenditures have amounted to $926,610,760.

Federal Crop Insurance Corporation

Appropriation, 1955	$6,000,000
Estimate, 1956	6,000,000
Recommended, 1956	6,000,000

The Federal Crop Insurance Corporation is a wholly owned Government corporation created in 1938 to furnish protection for the farmers' investment in producing crops against loss from unavoidable causes. Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

In accordance with the established policy of limited operations on an experimental basis, the 1955 crop-insurance program is operating in about 900 counties, furnishing insurance coverage of approximately $432 million on wheat, cotton, flax, corn, tobacco, beans, citrus, multiple crops, and soybeans. It is expected that it will be extended to 950 counties next year.

The budget estimate of $6 million is recommended for 1956. This will provide the same appropriation as was authorized for 1955.

Rural Electrification Administration

LOAN AUTHORIZATIONS

Authorizations, 1955	$210,000,000
Estimates, 1956	230,000,000
Recommended, 1956	235,000,000
Comparison:	
1955 authorizations	+25,000,000
1956 estimates	+5,000,000

SALARIES AND EXPENSES

Appropriation, 1955	$7,285,000
Estimate, 1956	7,680,000
Recommended, 1956	7,680,000
Comparison:	
1955 appropriation	+395,000

The Rural Electrification Administration was established by Executive order in 1935 to make loans for the extension of central station electric service to unserved rural people. The agency was continued by the Rural Electrification Act of 1936, and became a part of the Department of Agriculture in 1939. In 1949 the act was amended to authorize REA to make loans for the purpose of furnishing and improving rural telephone service. Loans for construction of electric and telephone facilities are self-liquidating within a period not to exceed 35 years, and bear interest at the rate of 2 percent.

The committee has approved the full request of $160 million for electrification loans for the coming fiscal year. In addition it has approved a contingency fund of $100 million for electrification loans, to enable the Secretary to meet any large or unusual needs in any area of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. The amount recommended, together with an estimated carryover of $21 million and probable rescissions of $4 million will make a total of $185 million available for electrification loans during the coming year, exclusive of the contingent fund provided in addition thereto.

The committee also recommends a total of $75 million for the rural telephone program. This amount, which is an increase of $5 million over the budget estimate, will enable the telephone program to continue at the same level as was authorized for 1955. The committee believes that the large backlog of loan applications on hand makes it unwise to reduce this program below the current year's level.

It is understood that proposed legislation has been presented to Congress to repeal the formula for distribution of loan funds contained in the basic law. The principal argument advanced for this action is that the Department may be prevented from making loans in certain States, due to the restrictions in the basic formula. During the hearings the committee requested the Department to present a statement of those projects which have been or might be denied due to the lack of adequate loan authority. The Department has not presented any such projects to the committee, in the absence of which there seems to be a question as to the need for elimination of the formula, though some modification may be in order.

In order to make certain that adequate authority will exist in 1956 to cover all possible loan applications qualifying under the law, the committee has approved the additional contingency fund outlined above. It has pointed out that these amounts are merely limitations on how much can be borrowed from the Treasury—and no money is drawn down until a loan has been finally approved and advances of funds thereunder have been authorized.

For salaries and expenses, the committee recommends the full request of $7,680,000, an increase of $395,000 over amounts provided for 1955. The additional funds are authorized for administration of the rural telephone program, in order to speed up the handling of loan applications and construction work.

Farmers' Home Administration

LOAN AUTHORIZATION

Authorizations, 1955	$153,000,000
Estimates, 1956	147,000,000
Recommended, 1956	153,000,000
Comparison: 1955 estimates	+6,000,000

SALARIES AND EXPENSES

Appropriation, 1955	$23,550,000
Estimate, 1956	24,500,000
Recommended, 1956	24,500,000
Comparison: 1955 appropriation	+950,000

The Farmers' Home Administration performs the following four major activities: First, to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development, including farm housing and other building construction, of family type farms; second, to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices; and fourth, to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers' Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

The committee recommends the same amounts for loan authorizations as were authorized for 1955. This includes $19 million for farm ownership and housing loans, $122,500,000 for production and subsistence loans, and $11,500,000 for soil and water conservation loans.

The reduction proposed in the 1956 budget for farm ownership and housing loans has been restored. This action is based on evidence that the need for farm houses and other farm buildings is continuing to increase, particularly among young veterans just getting started on the farm. The committee feels that this phase of the agency's program has not been receiving the proper attention in recent years and recommends strongly against any reduction in funds at this time. It does not agree with the recent change in policy, under which funds for direct loans would be reduced, with a proposal to handle a larger portion of farm ownership and housing loans through insured mortgages. With falling farm income and the many other difficulties encountered in getting established on the farm, the higher interest charges and larger initial capital required under the insured mortgage type of loan would present additional problems to the borrowers.

An increase of $950,000 is recommended for salaries and expenses to enable the Farmers' Home Administration to adequately protect the Government's large investment in this program. For the past several years, the committee has warned that the reductions made by the Department in these administrative funds would result in an increase in the number of delinquents, due to inadequate supervision and assistance to the borrowers. Testimony this year indicates that the number of delinquents has increased during the past several years, and the committee feels very strongly that additional funds must be provided to reverse this trend. Proper safeguarding of the borrower's interest and the security of the Government demands careful scrutiny of loans granted, good judgment, and a complete understanding of farm and home management. These can be met only if sufficient funds are appropriated to enable the field personnel of this agency to work closely with the borrowers during the period of the loan.

The committee is also concerned about evidence that the heavy demands made upon this agency, due to the emergency and disaster loan programs in the drought areas, are interfering with its regular work. This may be one factor contributing to the lack of adequate supervision of borrowers during the past several years and the increase in the number of delinquents. While the committee is in general agreement with the policy of absorbing additional work with regular employees wherever possible, it believes that such a practice should not interfere unduly with other essential activities. In order to assure that the regular operations are not restricted because of the emergency and disaster loan problems, it is recommended that additional personnel be provided and sufficient funds be transferred from the Disaster Loan Revolving Fund to cover the administrative costs directly related to lending activities under that fund.

Office of the General Counsel

Appropriation, 1955	$2,079,000
Estimate, 1956	2,164,000
Recommended, 1956	2,079,000
Comparison: 1956 estimate	−85,000

This office, as the law office of the Department of Agriculture, performs all the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of

various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he furnishes necessary review in connection with criminal cases arising under the programs of the Department for the purposes of referring them to the Department of Justice.

The committee recommends the same amount for 1956 as has been available during 1955. In view of the large unused balance of funds last year, it is believed that the additional functions proposed in the 1956 budget can be met within the amount approved.

Office of the Secretary

Appropriation, 1955	$2,116,000
Estimate, 1956	2,172,600
Recommended, 1956	2,116,000
Comparison: 1955 estimate	−56,000

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, and the Office of Hearing Examiners.

The committee recommends $2,116,000 for 1956, the same amount as is available for 1955. It is in full accord with the proposal to strengthen the inspection and investigation program of the Department in the Secretary's office. However, in view of the large unobligated balance of funds in 1954, it believes that this program can be instituted within the funds authorized.

Office of Information

Appropriation, 1955	$1,216,000
Estimate, 1956	1,238,000
Recommended, 1956	1,238,000
Comparison: 1955 appropriation	+22,000

The Office of Information has general direction and supervision of all publications and other information policies and activities of the Department, including final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration type photographs; and preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, the Department List of Publications, handles the distribution of farmers bulletins, and service letter and telephone requests for general information received in the Department. It also produces motion pictures, art and graphics materials, and photographic work for the Department and other Government agencies through reimbursements.

The full budget estimate of $1,238,000 is recommended for 1956, an increase of $22,000 over the funds appropriated for 1955. The additional funds are provided to enable the Office to handle the increasing volume of requests for information and publications, and to permit printing the Department's List of Publications and the Farmers Bulletin Lists. The funds for these purposes were removed from the appropriation last year and need to be restored to meet demands for information and printed material.

The committee deplores the Department's failure to issue statements and releases to the public on a full and complete basis. A review of the many speeches and releases of the Department during the past year indicates that this information is restricted in nature and does not fully present all aspects of the various farm problems facing the Nation. The committee believes that the best interests of all segments of our economy will be served if all sides of every issue are presented to the people of the country. It is recommended that steps be taken to disseminate information presenting the farmer's side of the many farm issues.

Library

Appropriation, 1955	$659,950
Estimate, 1956	659,950
Recommended, 1956	659,950

The Library, pursuant to the Department's Organic Act of 1862, and under delegation from the Secretary, procures and preserves all information concerning agriculture. Under the act establishing the Department, the Library also serves as the national agricultural library.

The budget estimate of $659,950 is recommended for the coming fiscal year. This will enable the Library to continue its operations on the same basis as authorized for 1955.

Commodity Credit Corporation

RESTORATION OF CAPITAL IMPAIRMENT

Estimate, 1956	$1,634,659
Recommended, 1956	1,634,659
Comparison: 1955 appropriation	+1,634,659

ADMINISTRATION EXPENSE LIMITATION

Authorization, 1955	$25,290,000
Estimate, 1956	26,000,000
Recommended, 1956	26,000,000
Comparison: 1955 authorization	+710,000

In recent years the restoration of capital impairment of the Commodity Credit Corporation has been handled through note cancellation. In the future, however, restorations will be handled by direct appropriation, as provided by legislation adopted last year. The realized loss during the fiscal year 1954 was $547.2 million. However, because of a change in restoration from projected to realized loss, all but $1,634,659 of the 1954 impairment can be covered from funds provided last year.

In connection with the administrative expense limitation of the Corporation, the committee is recommending the full budget request of $26 million. Of this amount, $2 million has been placed in reserve to be used to expand and strengthen the sales effort of the Corporation.

After full hearings and thorough consideration of the many problems resulting from the large stocks of commodities carried by the Corporation, the committee is convinced that a change in basic sales policy must be made and a strong and affirmative sales program must be developed. Testimony presented to the committee indicates that the present program for disposal of these commodities is largely limited to barter, sales for foreign currencies, and donations. The hearing records on this point are full of such terms as "removal," "disappearance," "barter," "giveaway," and "disposal," with a complete lack of reference to plans for the sale of commodities for dollars, as authorized and contemplated by the Corporation's basic charter.

In order to enable the Corporation to establish an effective sales program, the committee has earmarked $2 million of the administrative funds for this purpose. It believes that the employment of an experienced sales manager and the establishment of a proper sales organization to move these stocks into world markets on a competitive bid basis will result in saving hundreds of millions of dollars.

One of the primary arguments given in support of flexible price supports is the need to reduce the Government's investment in farm commodities. Figures available from the Department indicate that savings which might result from lowered support prices are being fully offset by the very heavy storage costs resulting from the Corporation's failure to keep its stocks moving into normal channels of world trade at prices which will sell them.

In addition to removing one of the most serious threats to our agricultural programs, this establishment of such a sales policy should make possible substantial savings in storage and warehousing charges. As discussed elsewhere in this report, approximately half of commodity losses in recent years are represented by storage and warehousing charges. In fiscal year 1954, storage, warehousing, and transportation charges totalled $224 million, and the Department estimates that such costs will exceed $263 million during the fiscal year 1955.

The committee further recommends that amounts paid for storage in the fiscal year 1956 be reduced by not less than 20 percent below 1955. In order that Congress may be kept currently advised of progress made on this problem, it is requested that a semiannual report be submitted to the appropriate committees, showing (1) the quantity and inventory value of commodities on hand which have not been offered for sale in world trade on a competitive basis, and (2) the storage charges on all commodities which have been held by the Corporation for more than 18 months.

Research on strategic and critical agricultural materials

Appropriation, 1955	$331,500
Estimate, 1956	300,000
Recommended, 1956	300,000
Comparison: 1955 appropriation	−31,000

The Strategic and Critical Materials Stockpiling Act of 1946 authorizes and directs the Secretary of Agriculture to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of any agricultural material or substitute for such materials determined to be strategic and critical. This appropriation is to enable the Department to carry out its responsibilities under this act.

The committee recommends the budget estimate of $300,000 for the fiscal year 1956. The decrease of $31,500 is due to the planned completion of certain phases of present investigations on vegetable tannins. Research and investigations on vegetable fats and oils and fiber plants will be continued in 1956 on the same basis as in 1955.

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION

The bill for 1956 provides reimbursement to the Commodity Credit Corporation for funds advanced to finance special programs authorized by Congress as follows: Eradication of foot-and-mouth disease in Mexico, $5,788,897; International Wheat Agreement, $57,378,551; wheat to Pakistan, $69,273,881; emergency feed assistance, $42,100,000; and famine relief to friendly peoples, $9,676,628.

The first two items have been handled in previous years by note cancellation. Due to a change in law adopted by Congress last year, these reimbursements are now carried as appropriations.

The last three items listed above are included in this bill for the first time, and are based on specific acts of Congress adopted in the 83d Congress. The furnishing of wheat to Pakistan was carried out under Public Law 77, 83d Congress, which authorized the appropriation of funds to reimburse the Corporation for its investment in the wheat furnished, including handling and other costs incurred in making deliveries. The furnishing of feed and seed to farmers and stockmen in major disaster areas was authorized by Public Law 115 approved July 14, 1953. The famine relief to friendly peoples, authorized by Public Law 216, 83d Congress, covers the furnishing of 2,688,000 bushels of wheat to Bolivia, 361,047 bushels to Jordan, and 82,133 bushels to Libya.

Farm Credit Administration

Authorizations, 1955	$6,250,000
Estimates, 1956	6,290,000
Recommended, 1956	6,290,000
Comparison: 1955 authorizations	+40,000

The Farm Credit Administration provides supervision, examination, facilities and services to a coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. The Administration is an independent agency under the direction of the Federal Farm Credit Board. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The committee has approved the full budget estimate of $6,290,000 for the Farm Credit Administration and its member institutions, an increase of $40,000 over 1955. The amount recommended includes $2,320,000 for the parent organization, the Farm Credit Administration, $550,000 for the Federal Farm Mortgage Corporation, $1,825,000 for the Federal intermediate credit banks, and $1,595,000 for the production credit corporations. These amounts represent limitations on the amount of the corporate funds of these organizations which can be used for administrative purposes. They are not direct appropriations from the Treasury of the United States.

The small increase is recommended in view of the increasing credit problems resulting from declining farm income. With the large increase in farm debt and the ever tightening price-cost squeeze on the farmer, it will be necessary for the intermediate credit banks and the production credit corporations to make more comprehensive credit analyses to assure sound loans and to reduce collection problems.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill are the same as those which have been included for a number of years. The only changes are found in section 501, where the limitation on replacement of passenger-carrying vehicles is increased slightly, and in section 506, where reference to basic legislation adopted last year has been added.

For a number of years, the committee has encouraged the Department to carry on a portion of its research work by contract under section 506. This has been based on the belief that such arrangements would not only improve the quality of research findings, but would limit to some extent the number of permanent research personnel added to the rolls of the Department. Recent investigation reports indicate that some of the research contracts under this section have been awarded to large and well-established organizations able to conduct such research without financial aid from the Federal Government. Some of these have been in existence continuously since 1947 for the same line of research. The committee seriously questions whether these well-established organizations should continue to look to the Federal Government as an established source of income for such research work.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 2, line 25, in connection with the Agricultural Research Service:

Provided further, That appropriations hereunder shall be available for uniforms, or advances therefor, as authorized by the act of September 1, 1954 (68 Stat. 1114):

On page 3, line 7, in connection with the Agricultural Research Service:

Provided, That not less than $200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

On page 14, line 8, in connection with the agricultural conservation program:

Except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community.

On page 17, line 8, in connection with marketing research and agricultural estimates:

Provided, That not less than $1 million of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer.

On page 18, line 25, in connection with the Foreign Agricultural Service:

Provided, That not less than $500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

On page 26, line 11, in connection with the Federal Crop Insurance Corporation:

Provided further, That not to exceed $1,500,000 of administrative and operating expenses may be paid from premium income.

On page 27, line 2, in connection with the Commodity Credit Corporation:

Provided further, That $2 million of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 30 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I want to point out as I begin that there is no argument about amounts in the bill. There is considerable disagreement about the nature of the criticism in the report. I do hope that we can work together this afternoon and perhaps develop something of value to American agriculture and to our American people.

At least two of us think that one of the finest Americans, Ezra Taft Benson, is now Secretary of Agriculture. We think he is doing a courageous job under the law, and for that reason the gentleman from Illinois [Mr. VURSELL] and I had to take exception to the critical nature of the majority report. That majority report was made available to us only when we sat down in the full committee.

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

Mr. HORAN. Surely.

Mr. WHITTEN. I had understood that you were told it was available to you on Thursday. Insofar as I know, it was available Thursday, before it was printed.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. H. CARL ANDERSEN. I think we ought to make this matter clear. The gentleman from Mississippi [Mr. WHITTEN] did tell me that a copy of the report was available in our clerk's room to look over and scrutinize. That is the usual procedure in our subcommittee. I do feel sure that if the gentleman from Washington [Mr. HORAN] had asked at that particular time to look at the report, the gentleman from Mississippi [Mr. WHITTEN] certainly would have given him the same invitation.

Mr. WHITTEN. I appreciate that.

Mr. HORAN. Service on the Appropriations Committee is an arduous, an interesting, and a very responsible job, and I love it. I enjoy serving with my chairman, the gentleman from Mississippi [Mr. WHITTEN], our ranking minority member, the gentleman from Minnesota [Mr. H. CARL ANDERSEN], the gentleman from Minnesota [Mr. MARSHALL], the gentleman from North Carolina [Mr. DEANE], the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Illinois [Mr. VURSELL].

Basically it is our task to see that money is not wasted. Annually we review the work of the executive departments and see what they did administratively with the money we gave them last year. The executive department operates under instructions from this Congress. Certainly the present Secretary of Agriculture does that.

Our is presumed to be a government of laws—not men—and those of us who serve on this committee do have a ringside seat as regards the efficacy with which the administration carries out the policies of this body and the other body.

But it can be that we here have not completed our work. It can be that what appeared a rounded program a score of years ago has proved inadequate through the years. Perhaps we defile good programs in our efforts to avoid the consequence of discipline that must attend any action.

Perhaps we hope, by political short cuts, that we can eat our cake, yet have it, too. Very definitely we cannot. Those who dance have to pay the fiddler.

It is not my purpose today to cast aspersions anywhere; rather, it is my hope that I and the other members of this Subcommittee on Agricultural Appropriations might make some observations of usefulness.

We spend weeks in earnest consultation with those in command of the Department of Agriculture. I feel that they are trying to carry out the meaning of the law as we have written it. They are acting under a very specific law.

Next month we will vote on rigid price supports.

I shall vote for rigid price supports. But in doing so, I hope that I shall not close my mind to what needs to be done in order for them to be an asset to our farmers and our national economy instead of a liability.

Price supports have two implications we do not like, and we try to avoid them. However, Benson did not write this law; he is only carrying out the law as we have written it.

First of all—and this has been in the law since 1938—there is the certainty of acreage allotments and production restrictions and marketing quotas, when we have surpluses. The formula is there, and it is very specific. No one likes acreage allotments, production restrictions, and marketing quotas.

Secondly, price supports require a residual agency which we know as the Commodity Credit Corporation. It is not a sales agency when we need it to be a sales agency, when we have these great surpluses. That is when it is to operate as a residual storehouse of surpluses, else it wreck the market.

Theoretically, the basic act of 1938 was to work like this: The producer was to be assured a price. With this price established he could sell his crops to the Government or, with the price level established, on the open market. Any way you look at it that law has worked well as far as encouraging production is concerned. There is no question but what our farmers fed the world for about 10 years. There is no question but what our farmers helped to defeat Hitler, Mussolini, and Tojo.

Acreage restrictions were not widely invoked during that period, and the Commodity Credit Corporation was a going concern, and its existence did not affect the ready market, the open market. Those of us who watched its operation like to say it had a stabilizing effect.

Then the distraught nations with our help got back on their feet, and I share, with some reservations, the views of the gentleman from Mississippi [Mr. WHITTEN], that what we did was to build up production in other countries.

The production from 40 million of our own acres gradually ceased to find a ready market.

Now our pipelines of wheat between the farm, into the mills, and into the factories and on the grocery shelves were almost empty. In 1948 I think we got down to around 125 million bushels. That is what it takes to fill our pipelines.

Four years later the July 1 report announced a carryover of 256 million bushels of old-crop wheat. Acreage allotments and marketing quotas should have been put into effect at that time, in July 1952, according to the formula already on the books under the law of 1938. We put that law into effect as soon as we went into office in 1953, but there was an election year in 1952, and nothing was done.

In 1953 the carryover was 562 million bushels. In 1954 it rose to 903 million bushels and the estimate for next July 1 is a whopping 965 million bushels of wheat.

I have here dealt with wheat in this example. When it is most needed the Commodity Credit Corporation dare not function as a sales agency. If it offered its stocks for sale, it would break the market. Meanwhile the wheat is aging and we seek more and more storage space on which we pay more and more money for storage costs. That is the problem Benson faces. The situation is indeed tenuous.

The 83d Congress took some constructive steps that are not only helping to move our surplus wheat, which is the worst of our surpluses, but other surpluses as well. Moreover, they are being moved into consumption without disturbing the market. Last year, for instance, about 56 percent of our wheat crop was marketed in the open market. When we have the greatest surpluses, then Commodity Credit Corporation ceases to be a sales agency. It has to hold its commodities off the open market lest it ruin the open market.

Now, let us take the suggestion of my colleague from Mississippi. He wants the Commodity Credit Corporation to start a program of offering, weekly, certain quantities of cotton. Under the law and under the charter that can be done. But let me point out that last year we moved in the open market American cotton in excess of 3,800,000 bales, not a bad amount of cotton to move into the open market, which is higher than our support price. It is estimated we will move 4,500,000 bales in the open market in the year we are in now. That is a pretty healthy thing. Suppose that they offer cotton on the world market at competitive prices. They can do it under the charter. Suppose we get into a cotton war with Peru, Chile, India, Mexico and other cotton-producing areas where they have the low wages and they have our facilities, our know-how; suppose the price of cotton on the world market drops down and down and down as we ourselves instruct the Commodity Credit Corporation to meet competition. The textile mills around the globe will be getting cotton at a reduced price, a salvage figure. At home, however, textile mills in North Carolina and textile mills in New England will be forced under the law to pay 105 percent of parity for their supplies. Under the law we may have to be doing that this fall. But it will be a sad day for America if we do. It will close factories.

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

Mr. HORAN. I yield to the gentleman from Connecticut.

Mr. MORANO. Has the Secretary of Agriculture indicated any position on that point the gentleman has just mentioned?

Mr. HORAN. Certainly, just as plain as possible. I asked him the question. It is in the record.

Mr. MORANO. He has agreed to sell?

Mr. HORAN. No. That is what all the hullabaloo is about.

Mr. MORANO. He has not?

Mr. HORAN. No. He is trying to protect the American producers.

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

Mr. HORAN. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understood the gentleman from Mississippi correctly and if I understood the background correctly, here is what he is contending for. Cotton has moved through private channels in the export trade. Now, if I understand him correctly, he wants to do away with that and have the Commodity Credit Corporation do the selling.

Mr. HORAN. That is right.

Mr. HALLECK. The domestic market price of cotton has been above the support price in recent months. Is that not directly a result of this method of disposing of the cotton in the foreign market? The gentleman has spoken of the effect with respect to the textile manufacturers. Will he not agree with me that if the policy advocated by the gentleman from Mississippi should be put into effect—and possibly we shall have to put it into effect—the first effect would be

to lower the price of cotton here in the market place of this country?

Mr. HORAN. Not in this country, because we are under price support; in other countries, though, in the world market, we are going to meet competition.

Mr. HALLECK. If the gentleman will yield further, there are many commodities presently under price support, 90 percent; corn is one, which is produced in my district in great quantities, and the market price is considerably below the support price at this time. I assert—and I do not think it can be denied—that if the position of the gentleman from Mississippi were put into effect, one of the results would be to break immediately the price of cotton on the local markets of this country.

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

Mr. HORAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say that some cotton is moving, and that in the recommendations or the urgings, the thing the gentleman talks about would be controlled in several ways. One, the Corporation would have full charge of how much it offered; it would have full charge of how often it offered. It could do as it did last year when it offered this $453 million of commodities which it sold, and it said bids below a certain level would not be accepted. So, full control is in the Department. I am asking the removal of the assurance of the umbrella. The other point I would make as far as your domestic mills are concerned is if we follow this policy of holding our support price as the world trade price long enough so that Anderson-Clayton can make a source of supply for Japanese mills in Brazil and Peru, where because of low costs they can get cotton for 15 to 20 cents of ours, then our mills are out of any export business. Now, I grant you that the Department would have to take into consideration the effect on the mills and things of that sort in determining how much and how often and how. It can do it by limiting how much is offered, how often you are offering it, or putting a limit below which they would not accept bids. But, if we do not correct this shift of supply away from the United States, where costs are higher, to these foreign countries, with low costs it will not be but a few years until we all have only a domestic market.

Mr. HORAN. I want to say I hope my chairman understands what he just stated. I certainly could not understand him.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield further, I might suggest to the gentleman from Mississippi, for whom I have the highest regard as he knows—he spoke here a moment ago that he had not had a political campaign down there ever since 1944, and I think it is quite evident why, because he certainly is a great exponent of his particular views, although I must say in this particular instance he is trying to blow hot and cold—in other words, you cannot be dumping cotton all over the world and not have some of these adverse effects result. I think we have to take it one way or the other.

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

Mr. HORAN. I yield to the gentleman from Kansas.

Mr. HOPE. I would like to go back to what the gentleman from Indiana was discussing a moment ago, and that is this question of the level of price supports in this country and the price that the cotton producer himself receives. Now, it undoubtedly is true that any time the level of prices in the world market—and that covers the level of prices in this country except as it is modified by the price-support program—it is also true, is it not, that if you have a world price lower than the domestic price, the support-price program does not bring all of the cotton up to the long price? There are always a good many producers and there are many small producers in which the gentleman from Mississippi is certainly interested. Nobody is more interested than he is, but I hear that complaint all the time, that the small producers have just a few bales; they do not bother to get a loan; they have to sell the cotton as soon as it is picked, and they are the ones who are the sufferers when that situation exists. Now, this year the Department of Agriculture has not put cotton on the market. It has a comparatively small amount of cotton, but if it did put cotton on the market and that resulted in reducing the price on the world market, it would have meant that every little cotton producer in Mississippi and every other State would have probably taken somewhat less than he took for his cotton, because he has been able to sell it at from 3 to 5 percent of the loan value under the situation that existed this year.

Mr. HORAN. It is my understanding—and I want the committee to know the situation—that the Commodity Credit Corporation owns outright 700,000 bales; but they have some 7 million bales on which they have loans and which they may have to take over this fall, and if that occurs we are going to have some headaches in addition to this.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. HORAN. I yield.

Mr. WHITTEN. I should like to say, by way of illustration, in reference to what my friend from Kansas [Mr. HOPE] said, that if this cotton had been sold our supply would have been less, our exports would have been larger, and acreage this year would have been larger for those people who have been cut back to the point of no home. Any farm program must allow our farmers to farm, and then you must sell the production. If you let United States farmers farm and if you sell the production, then you have an arguing point on where our support level should be. But you have now reached the point where the Government does not let many farmers farm, and you are moving the acres overseas as we cut out at home. We are holding our commodities, in order to cut the United States acreage down. I do not see how you can argue support levels when you will not sell the production. We should not have to cut United States acreage down, to absorb United States supplies we won't sell competitively.

Mr. HORAN. When we talk about price supports, we are going to have to take the bitter pill of acreage allotments, and there go along with it——

Mr. HALLECK. That is right.

Mr. HORAN. Marketing quotas and production restrictions. You cannot eat your cake and have it, too. It cannot be done.

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

Mr. HORAN. I yield.

Mr. MORANO. I want to get something clear in my mind. As I understand it now, the Secretary of Agriculture has a policy by which he does not offer surplus cotton in the world competitive market, and that policy in some degree protects our own textile manufacturers in New England and elsewhere in this country.

Mr. HORAN. Surely.

Mr. MORANO. As I understand the proposal of the gentleman from Mississippi [Mr. WHITTEN] it is to offer that cotton on the open market. In the opinion of the gentleman who has the floor and in the opinion of the Secretary of Agriculture, that would be dangerous.

Mr. HORAN. That is true, to American producers and American industry, in the gentleman's own State, I may say.

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

Mr. HORAN. I yield.

Mr. HALLECK. Mr. Chairman, I think it is about time that we had a real look at this charge that is made against the Commodity Credit Corporation's not wanting to sell anything. The fact of the matter is that our exports are up 15 percent above last year. Cotton exports, which are a matter of great interest to the gentleman from Mississippi [Mr. WHITTEN] are running, according to my information which I believe is accurate, 400,000 to 500,000 bales above last year. Commodity Credit Corporation disposals are on the increase. In other words, I do not want the RECORD to seem to indicate from this report that the Commodity Credit Corporation has not made real progress in disposing of these surplus commodities.

I should like to make one further observation. This amount of conversation about cotton may have a very bad negative effect on the world market, so far as foreign purchases are concerned, because I am certain if we are to start selling this cotton at any price maybe a lot of people will be waiting for that day to come.

Mr. HORAN. Thanks to the good work of our House Committee on Agriculture, we set up machinery that should help to place these commodities, including wheat, where they are needed. These programs are now just getting under way. They are the sale of our surpluses for foreign currency. That is an item that my colleague from Mississippi [Mr. WHITTEN] has been interested in for years.

Second. Outright grants for famine relief in friendly countries.

Third. Barter and exchange: We are not doing much there, but we have a program.

Fourth. Outright donations to prevent waste: We have done that.

Fifth. Donations of commodities, including wheat, to distress and disaster areas in the United States. And believe me, that is a proud chapter in the history of Ezra Taft Benson's administration, the things he has done to help out in Oklahoma and in Texas.

Add to this such additional programs as the International Wheat Agreement and the use of what is known as section 32 funds for the disposal of surplus commodities, and you can see that in your Government we already have a rather extensive program designed to help rid us of our surpluses.

But last year we did something else which should be helpful. We completed the reorganization of the Foreign Agricultural Service. I stress the word "Service." We changed it from "Relations" to "Service." It is an action thing. It is supposed to serve American agriculture and keep us advised of what is going on in the world where we have competition. And we put the agricultural attachés back under the command of the Secretary of Agriculture, where they belong. We are just now completing this retooling of our agricultural representation abroad, and it should help.

The outlook is brightening. Mr. Oris V. Wells, head of the Marketing Services, United States Department of Agriculture, speaking to our subcommittee, and this is on page 407 of the hearings, had this to say:

> Indications are that July 1, 1955, wheat stocks may be somewhat greater than they were on July 1, 1954, but there has been a significant slowdown and, as a matter of fact, the crops in Canada this year and in Western Europe are none too good. So, wheat prices have currently been showing some strength as compared to not long ago.

Mr. Walter C. Berger, Assistant Administrator of the Commodity Stabilization Service, stated to us:

> The Government has invested literally billions of dollars in the programs carried out through the Commodity Stabilization Service much of which—

Mr. Berger continued—

> can be returned to the Treasury if adequate administrative funds are provided for, to permit programs to be administered properly and in an orderly manner.

I trust that we have done that in this bill.

But our experience teaches us that there are still some things to consider if we would avoid the difficulties that have been building up since 1952. I am pleased that we have this opportunity to discuss some of them here.

First. There is a growing interest in the establishment of a soil fertility bank. This idea is embraced in a measure introduced 2 years ago, and again this session, by my colleague the gentleman from Minnesota [Mr. MARSHALL] and my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I understand has been reintroduced. I assume they will discuss that later.

Second. There is a growing desire in my area of the country, at least, to have price supports applied on a quality instead of a quantity basis. Some refer to this general idea as a graduated loan schedule. Today price supports go on wheat and other commodities pretty much without regard to quality.

Third. The requirement that half of our donable wheat and other commodities be shipped in American bottoms has proved a roadbloc to the operation of Public Law 480.

There are many other suggestions of varying merit. I mention these so that we may seek out the means as we go along and attempt at least to be constructive in this matter.

There appears to be no way under the present law to assist those who farm too small an acreage when acreage allotments and price supports have to be applied. We encounter that difficulty especially in tobacco, wheat, and cotton. Repeatedly in the hearings I have referred to a seeming lack of research in this field. Certainly we should clearly understand what acreage constitutes an economic unit as applied to a family-sized farm and one under any price support, with its ever-present threat of acreage adjustments, that can weather the storm. I am happy to find this paragraph in the majority report:

> The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

I suppose all of this comes under the general heading of land reform. The dangers of too small holdings are well known. They exist all over the world. I remember a visit I had 2 years ago with the Minister of Agriculture at Bonn, in West Germany. He spoke of their troubles there.

It was the old, old story of the father dividing his land with his sons and his sons dividing their lands with their sons until down through the years the farms became so decimated as to be true traps of poverty. There is always a danger of allocating too small units to tenant farmers when acreage adjustments under the law of 1938 have to be made by the Secretary of Agriculture. There is danger that a living cannot be made on what is left. Let us face it. Secretary Benson did not write this law, yet he has to apply it. But the fact is acreage adjustments are in the law, and the law does not help in such circumstances. But it is a very difficult matter to reach through the Federal law or Federal administration. Perhaps a solution could be achieved through State laws; I do not know. I do know that economic research can provide the knowledge that we ought to have concerning a safe size of any farm unit for any given commodity. I do know that this is a proper field for Federal research, and I believe it ought to be done, and all of the facts known or knowable brought up to date, and then through the Extension Service this knowledge can be made a real guidepost to anyone wishing to farm either as a tenant or an outright owner. Certainly in the case of farm ownership when we help to set someone up in farming, we should give full and careful attention to this factor. I know it is being done now in the great Columbia Basin project out in the State of Washington. The size of farms there are mapped out, and they are based upon the type of soil and the known facts about the most promising crop that can be raised on them. This was the joint work of the Federal Bureau of Reclamation and Washington State College. I know, also, that many of our able men who administered the loans under the Farm Loan Administration also take the idea of the economic unit very seriously in granting loans to prospective farm owners. None of us knows what the future holds. We do not know what the weather will be in June here and what will happen to the crops. We do not know the shape of international politics. We can only predict. We do not know what our farmers, smarting under the discipline contained in the law of 1938, will do when it comes to voting compliance. We do know that a good and courageous job under the law is being done by the present Secretary of Agriculture, Ezra Taft Benson. Many programs are working to correct this situation. I believe Secretary Benson is due and entitled to our full cooperation, respect, and teamwork.

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

Mr. HORAN. I yield.

Mr. WHITTEN. The gentleman from Indiana [Mr. HALLECK] raised the question of exports. He referred to Commodity Credit Corporation disposals. If you read these hearings and if you do not go behind these disposals, you will not realize that we are giving them away instead of selling them. How can you lose more money than giving away what was bought? With regard to wheat, I met with the wheat traders. They have the dollars and they wanted to buy 2 million tons more of American wheat if we would match France's price which was $6 a ton less than ours. There are illustrations all over the world similar to that.

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

Mr. HORAN. I yield.

Mr. SPRINGER. I believe there is one thing that I have viewed with a great deal of sympathy in years past under Democratic administrations as well as Republican administrations. With reference to some of the remarks made by the gentleman from Mississippi, may I say the gentleman and I were in Europe a year ago last summer at the same time. We sat down at the same table and talked about this matter. Regardless of the political complexion of the administration, this whole program and the sale of surpluses in this country is irretrievably tied up with foreign policy, is that not true?

Mr. HORAN. It is bound to be.

Mr. SPRINGER. There are some very difficult problems related to our own foreign policy with reference to the question of taking markets in certain areas of the world where we have been supporting our allies. They are now economically

selfsufficient and are filling these markets.

Mr. HORAN. That is right.

Mr. SPRINGER. We may be forced back into the same situation we were in from 1946 down to 1953, when they were not self-sufficient. These problems concern both the Department of Agriculture and the State Department when we get into this question of disposal in certain markets in the world?

Mr. HORAN. It is a very interesting thing. The European Payment Union which has a fund of some $300 million which we advanced to them—we cannot sell to the countries that were participating in that program. However, we hope that the action of the Congress last year in making it possible to sell in foreign countries for soft currencies will help the situation.

Mr. SPRINGER. The Surplus Agriculture Disposal Act has been of great assistance the last year, and the future looks much better.

Mr. HORAN. Oh, much better.

Mr. JONES of Alabama. On page 25 of the report, under "Farmers' Home Administration," I read from the report:

> The Farmers' Home Administration performs the following four major activities: (1) To make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchases, enlargement or development, including farm housing and other building construction, of family-type farms.

And further on in the report it provides that $19 million would be made available for housing and farm ownership loans. Is that $19 million a direct loan?

Mr. HORAN. It is a direct loan.

Mr. JONES of Alabama. As distinguished from an insured loan?

Mr. HORAN. Yes.

Mr. JONES of Alabama. Can the gentleman from Washington give us some assurance that the Administrator of the Farmers' Home Administration will make use of this money and make loans pursuant to the direction of the Congress, or will he withhold those funds as he has done in some instances in the past?

Mr. HORAN. I certainly hope he does not.

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

Mr. HORAN. I yield to the gentleman from Minnesota.

Mr. JUDD. It has been said today that the loss of sales abroad is putting the farmer out of business. Is it not true that a lot of farmers were in business only because of what looked like sales abroad but which amounted to appropriations from the American Treasury for grants to foreign countries which they used to buy American agricultural products until they could get their own production restored?

Mr. HORAN. That is true.

Mr. JUDD. We did that because it was essential to our security that these countries be strengthened. We knew what we were doing. I am surprised that anyone failed to expect this inevitable byproduct unfavorable to our own producers. We gave them the money and they bought our farm products, and some people kidded themselves that we had sold them something. So we are not putting them out of business. Rather, it was these foreign-aid grants that put them into business.

Mr. HORAN. That is right. It is just like loaning a man money to play poker with you. It is the same idea.

Mr. JUDD. The word "dumping" has not been mentioned today very often. There has been talk about selling at competitive prices or lower prices than our competitors. But is it not true that if the United States cuts prices to try to compete with those countries which have much lower wage levels, we will be walking right straight into disaster, because they can drastically undercut us?

Mr. HORAN. We would have chaos unlimited, in my opinion.

Mr. JUDD. And is that not what the gentleman from Mississippi [Mr. WHITTEN] is advocating?

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

Mr. HORAN. I yield.

Mr. WHITTEN. I appreciate the courtesy of my friend. The State Department came before our committee and said they did not oppose the sale of our commodities at competitive prices in the world markets. They said, "We want to help." Well, who is it we want to help, the folks who need these commodities, and our folks in the United States who produce them or our competitors by holding an umbrella over their prices? We used to think it was the State Department, but they said "No." When they said no, Mr. Benson came before our subcommittee and said it was his decision, he said because of the trade. Most of the trade in my opinion differs with him—but you cannot get agreement between the trade group. You have heard a lot about the GATT agreement. Mr. Blake of the State Department said of the recent trade agreements:

> That the amendment does not ban export subsidies until a nation is getting more than its fair share of the world market.

He said:

> A fair share of the world market can be construed as any period that the United States desires to select. In other words, the United States could insist that the base period should be the prewar days when exports were averaging 8.5 million bales a year.

So the State Department is not holding our commodities off world markets at competitive prices. The Department of Agriculture has agreed it is its decisions. Now, whom do you want to help, the folks who need these things or your competitors who in many instances were formerly our customers when we would match the other fellows price?

Mr. JUDD. Of course, whenever the United States goes into a program of assisting countries abroad to increase their production, in order to strengthen their economies, we solve some problems, but unquestionably we help create others. For example, we have helped India produce enough rice so that she is practically self-sufficient. However, we have thereby thrown the economies of Thailand and Burma into a tailspin because a foundation stone of their economies was the export of rice to India.

Japan for decades had large textile markets in India; so did England. India today is in a position where she is almost ready to export textiles. That is another headache the gentleman from Mississippi will have to deal with—when he faces greater foreign competition with southern textiles as well as with cotton.

Mr. WHITTEN. May I ask the gentleman if it is not true that we cannot sell anything unless we make the price truly competitive?

Mr. JUDD. That is right.

Mr. WHITTEN. Can you have a national farm program if things cannot be arranged so that the farmer can sell what is produced?

Mr. JUDD. The answer to that is that we have to weigh the advantages that we would get from selling more commodities abroad at a lower price against the advantages of maintaining at least the domestic market at a higher price.

Mr. WHITTEN. Mr. Benson says that this umbrella which he establishes over world prices particularly invites increases. Does not the gentleman think we ought to help him lower the umbrella, because it was his determination to make our support levels the world price which has had bad effects even he can see?

Mr. JUDD. It is undeniable that a policy of encouraging and helping all countries, including our own, to become self-sufficient is bound to destroy a lot of world trade. Prosperity comes out of production and trade.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself 1 minute for the purpose of complimenting my colleague from Washington [Hr. HORAN], upon the work that he has done as a member of the Subcommittee on Appropriations for Agriculture. Through the years the gentleman from Washington has been a very splendid man in that particular job, and as I have listened to the discussions between the gentleman from Mississippi [Mr. WHITTEN], on the one side and the gentleman from Washington [Mr. HORAN], on the other, it came to me that it is only through such discussion of basic principles that we in the Congress are enabled in the final analysis to come to a decision as to what is right or wrong; I do want to repeat that the gentleman from Washington has been a splendid member of the Subcommittee on Appropriations for Agriculture. He has been mainly responsible for the establishment of Foreign Agricultural Service, which should mean much to our Nation in the future.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I am grateful to the chairman of the Subcommittee on Agricultural Department Appropriations for yielding to me for these comments on one phase of our surplus agricultural supplies which seems to receive little attention—the distribution of this food to needy Americans.

I do not say this in criticism of the subcommittee, which I believe has done an outstanding job in drafting this bill, particularly in regard to funds for the school-lunch program. I was simply

aghast earlier this year in looking over that portion of the President's budget recommendations to see that the administration was actually recommending a cut of more than $15 million in funds for the school-lunch program, apparently under a mistaken belief that the use of surplus foods would make up that difference.

The subcommittee's action, then, in placing in the bill the full $83,236,197 for the school-lunch program, refusing to make the reduction of $15,236,197 suggested by the President and his advisers, was a fine thing, for which I am most appreciative. All of us have heard of the difficulties of the schools participating in the school-lunch program in obtaining the share of surplus-food commodities promised them, so that a cut in funds for the purchase of foods of high nutritional value would have created a much more severe problem, and would have forced either an increase in the cost of the lunches or a poorer menu.

DISTRIBUTING SURPLUSES TO THE NEEDY

There has been a great deal of discussion here on the House floor, Mr. Chairman, and also in the hearings of both the Appropriations Subcommittee and of the Committee on Agriculture of the problem of disposing of our huge surpluses of food. We passed several bills here last year to encourage a greater distribution of our surpluses by either sale or gift abroad, and there has been much criticism of the slowness of the distribution.

My concern, however, is over the extremely limited distribution of these surplus foods to needy Americans—to those who are unemployed, on relief, actually hungry right here in the midst of the most abundant harvests we have ever known—here in rich America.

Unfortunately, the Department of Agriculture does not appear to be too much concerned about this. It has made some of this surplus food available on a rather hit-and-miss basis to the States for distribution pretty much as they see fit to persons of low income. The standards, if any, seem to be extremely loose.

It is, I believe, a wholly unsatisfactory system of distribution of this surplus food if the desire is to reach those who really need this food—people who are hungry or undernourished.

Last year, Mr. Chairman, I attempted to correct this situation by introducing H. R. 7870, a bill to establish a food stamp plan for the distribution of up to $1 billion a year of this surplus food to needy persons, particularly those on relief or old-age assistance, aid to dependent children, and so on.

The Agriculture Department showed no interest in the proposal last year and so far has shown very little interest—publicly at least—this year. I am hoping that the Committee on Agriculture of the House will soon schedule hearings on my new bill this year, H. R. 5105, which differs in some particulars but not in overall concept from the one I introduced last year.

MECHANICS OF SULLIVAN FOOD-STAMP BILL

My new bill requires consultation by the Secretary of Agriculture with both the Secretary of Health, Education, and Welfare and the Secretary of Labor in establishing standards for the distribution of the surplus foods.

This provision arises primarily out of a suggestion which was made to me by Missouri Welfare Director Proctor N. Carter, who pointed out that the Department of Health, Education, and Welfare maintains direct relations with the State and local welfare agencies which would play such a large part in a successful food-stamp-distribution program.

I added the provision giving the Secretary of Labor a voice in the distribution of the surplus foods because of the responsibilities of his Department in the field of unemployment.

The continuing high level of unemployment in the country, even though production has been increasing over the levels of last year, makes it important that we devise an effective program for getting some of our vast stores of surplus food to needy families.

The present system of distribution of the surpluses has been, I am sorry to say, very much of a hit-and-miss proposition, with some States participating and some not, with some areas operating their own food-stamp plan, and others giving out the food to anybody who wants to come and register for it. So far as I can determine, there are no uniform standards and no means of assuring that the people who really need this help are actually getting it. The Department of Agriculture seems to be concerned more with getting rid of a storage headache than in helping to solve a serious human problem.

Furthermore, there has been a good deal of criticism of the program in some areas of the country for permitting or encouraging so-called chiselers to get this food, while elsewhere people who are really hungry can get none. I do not know that the chiseling is actually occurring, but the whole surplus-food-distribution system has been chaotic and that encourages all kinds of abuses and criticisms.

Under the food-stamp plan the Secretary of Agriculture would be given broad discretion in setting up the actual mechanics of the distribution system—that is, in determining whether or not the food should be distributed through regular grocery stores or at special outlets set up in each participating community. The bill would require, however, that the food be packaged in convenient form for distribution at the local level, with the food stamps themselves to be issued by the welfare department or equivalent agency of the individual State or political subdivision participating in the program.

Stamps would be issued for each type of surplus food to be distributed.

A major principle of the bill is that any surplus food distributed under the act be in addition to, and not in place of, welfare assistance normally granted to needy persons by a State or local welfare agency.

For the purposes of the act needy persons are defined as those receiving public-welfare assistance or who are in need of such assistance but are ineligible because of State or local law—such as Missouri's employability law.

Many of the bills which have been introduced on this subject since I first put mine in last year, and the surplus-food distribution system itself in some areas, provide for issuance of surplus food to people on unemployment compensation, or on social-security pensions or who have low-paying jobs. I do not oppose that idea at all—I think it is tragic to have people going hungry or not getting enough to eat when we have all this surplus food—but I think the most important part of this whole problem is to get this food to those who need it most. That is, to those on relief, those without jobs or unemployment compensation, those who are living right on the edge of malnutrition.

Perhaps once we get a food-stamp program actually started and functioning smoothly then we can include all these other groups. My bill calls for a report by the Secretary of Agriculture within 6 months after the food-stamp program starts on the costs and problems of expanding it to include all of these other groups. But I think primarily we should get busy at once on providing a direct and effective system of distribution to those who we know are in real distress.

PRESENT DISTRIBUTION LIMITED IN SCOPE

Among the foods which are, or have been, available for such distribution, are butter, cheese, dry milk, cottonseed oil, shortening, beef and gravy, dry beans, and several others.

Only a small percentage of the millions of persons in the United States who are receiving public assistance of one type or another are obtaining any of this food. Three-fourths of the distribution has been to families in temporary straits due to drought or localized unemployment. They are certainly in need of and entitled to help of this nature—particularly in the coal mining areas. But there is so much of this surplus food available—constituting a storage headache for the Government—that we can certainly do much better than we have done in getting it to needy folks.

For instance, of the 2,620,000 persons last reported to have been certified for such food in the country, more than 950,000 are from 1 State—Pennsylvania. Most of the remainder are in Mississippi, Alabama, West Virginia, and Kentucky. And all we are getting out to these people is about $5 million worth a month—$60 million a year at that rate.

A MORE EFFECTIVE PROGRAM NEEDED

Mr. Chairman, instead of the hit-and-miss method now employed in the distribution of this food to the needy, we should adopt a national, unified, intelligently planned and organized system, using food stamps which would go to those most in need of this extra help.

The fact is that there are more persons in this country on old-age assistance—not social security pensions, but old-age relief—than the total of those now receiving surplus food help. When you add the extra millions who are receiving aid for dependent children, aid to the blind, aid to the permanently and totally disabled, and the hundreds of thousands of general assistance cases in the country, it is obvious that the 600,000 persons in this category receiving surplus

food are only a small minority of those who need the help.

There are, in addition, many persons in actual need of public assistance but unable because of State or local law, including such laws as Missouri's employability law, who cannot qualify for public agency financial aid and who are dependent upon private charities.

These, too, should receive surplus food, as provided for under my bill, H. R. 5105.

Mr. Chairman, I submit for the RECORD at this point, for the information of interested Members of the House the full text of my bill, as follows:

[84th Cong., 1st sess., in the House of Representatives, March 21, 1955]

Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Agriculture:

H. R. 5105

A bill to provide for the establishment of a food stamp plan for the distribution of $1 billion worth of surplus food commodities a year to needy persons and families in the United States

Be it enacted, etc., That in order to promote the general welfare, raise the levels of health and of nourishment for needy persons whose incomes prevent them from enjoying adequate diets, and to remove the specter of want, malnutrition, or hunger in the midst of mountains of surplus food now accumulating under Government ownership in warehouses and other storage facilities, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

SEC. 2. In carrying out such program, the Secretary shall—

(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in the first section of this act; and

(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

SEC. 3. The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

SEC. 4. Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

SEC. 5. In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to $1 billion, based on the cost to the Federal Government of acquiring, storing, and handling such food.

SEC. 6. The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however*, That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

SEC. 7. For the purposes of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

SEC. 8. The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare, and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food-stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivor's insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

SEC. 9. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. DEANE], a member of the subcommittee.

Mr. DEANE. Mr. Chairman, in the first place I desire to express my sincere admiration for the gentleman from Mississippi [Mr. WHITTEN], who has served on this subcommittee with great distinction since 1945. The same admirable service is true of the gentleman from Minnesota [Mr. H. CARL ANDERSEN], the ranking minority member who has likewise served on this committee since 1954. I do not know two men who have worked more faithfully than these gentlemen, not only this year but past years, for the cause of agriculture.

The same sentiments are true concerning my other colleagues on the committee, the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Washington [Mr. HORAN], and the gentleman from Illinois [Mr. VURSELL].

We would be remiss in our duty here this afternoon if we did not highly commend our excellent executive secretary, Ross P. Pope who has constantly, painstakingly, and efficiently given us the information that we needed to try to build a good record.

As you read the hearings you will come to understand the policy and the programs of the Department of Agriculture. In some instances the information was pulled out of the witnesses from the Department through the painstaking questioning of the committee members. The record will, I feel, indicate some of the causes why the farm economy is on the downgrade.

The committee has worked long and faithfully. The writen record of the hearings and the report indicate that if the officials of the Department of Agriculture will spend the funds made available under this bill with the same vision and enthusiasm as characterized the thinking of the members of this committee, there is a chance that the downward trend of American rural life can be reversed.

THE DEPARTMENT OF AGRICULTURE

I fear there is too much static in the Department of Agriculture. Several witnesses from the Department made splendid presentations, but too frequently they appeared to be operating under wraps. It is difficult to describe. In some instances there is a negative and defeatist attitude.

It is explained, I think, in some of the speeches made by the top people in the Department of Agriculture. For example: The Under Secretary of Agriculture has made a number of speeches and while he does not say so in so many words, the effect of his statements has definitely created the feeling that there are too many farmers and that one of the faults of price supports tends to keep marginal farmers in business. The philosophy of the Under Secretary, which is being felt back in the grassroots, is that it would be better if these marginal farmers went out of business and left it to the big efficient competitors.

ACTION IS NEEDED

What is needed in the Department of Agriculture is forthright action—a willingness to move out with bold ideas and programs. It appears from the record that much effort is being made to curtail and stifle existing farm programs that have proved to be what the American farmer needs and what he wants.

WHEN TO DOUBLE THE DEPARTMENT'S BUDGET

Frankly, I would like to see the Department of Agriculture come up with a budget request double the size of the present appropriations. That will never take place until the people in the Department of Agriculture who determine policies and programs come forth with an agricultural program that will challenge not only our farm people but all segments of the American economy.

COMPARING THE APPROPRIATIONS

The direct appropriations for the Department of Agriculture provided in this budget for 1956 total $694,107,434 as compared with $653,129,960 appropriated for the budget year ending June 1955, an increase of close to $41 million. If

we add the "loan authorizations" provided in this bill in the amount of $388 million the "special programs" totaling $184,517,957 and the "restoration to the impairment" of the Commodity Credit Corporation totaling $1,634,659, you come up with the impressive point that we are spending for all agriculture services the meager sum of only 2.4 percent of the 1955 national budget of $58,160,000,000.

COMPARATIVE BUYING POWER KEY OCCUPATIONAL GROUPS

I am convinced that the buying power of the American farmer will continue to drop unless the officials of the Department of Agriculture, farm leaders and the Congress decide that time is running out on the farmer and that bold and imaginative action must be taken.

The buying power of the average wage earner, the school teacher, the retail clerk and the businessman continues to rise. The farm owner's continues to drop.

I direct your attention to the following analysis which reveals the comparative buying power of key occupational groups. You will note that the buying power of the farm owner continues at the bottom and that his estimated 1955 buying power is taking a serious drop of $2.52 per week below 1954. In each of the other occupational groups, there is a marked increase in each instance.

Comparative buying power—Key groups

	Buying power per week [1]		
	1950	1954	Estimated 1955
Oil worker	$73.07	$77.64	$81.26
Machinery manufacturing employee	63.92	67.15	67.82
Railroad worker	58.12	62.27	64.41
Schoolteacher	56.63	61.28	64.25
Average factory worker	57.19	59.70	61.37
Retail clerk	46.92	49.02	50.21
Farm owner	42.10	39.63	37.11

[1] Bureau of Labor Statistics and Deparement of Agriculture.

FULL EMPLOYMENT DEPENDENT UPON PROSPEROUS AGRICULTURE

I challenged the Secretary on the above figures, especially the farm owner. He came up with the same figure if you will note his testimony on page 230 of the hearings.

Two simple facts stand out as you study this analysis. First, farmers are slipping backward while nearly all of the other occupational groups are moving forward. The second is that as farm prices continue this downward trend, wage increases in the principal occupation groups continue to rise. How long can the occupational groups now receiving much more than the farm owner continue to maintain their position? How much longer can the farm owner face this present price squeeze?

History reveals that we must have a prosperous agriculture economy to preserve the employment of the people in the mills and the cities. When farm income began to move down in the 1930's the income of the people in the mills and cities dropped. Unemployment reached a total of 12 million people. The same common experience took place following World War II and I fear that we are entering a similar phase unless radical developments take place.

MARGINAL FARMERS AND EFFICIENT COMPETITORS

Earlier I referred to the philosophy of the Under Secretary of Agriculture who without any doubt has created the feeling that the time has come for marginal farmers to go out of business. He is telling them, if you will read the hearings on pages 228 and 229, to look for employment in the mills and in the cities. What about the great majority of these marginal farmers who have no other skill or training? The Under Secretary and his associates, I fear, have lost sight of the fact that we are a nation of small farmers.

NATION OF SMALL FARMERS

Take North Carolina. The extent and effects of this cost-price squeeze seriously concerns my State of North Carolina, a State of small farms and relatively low farm income, even in the best of times. Well over half the farms in North Carolina are less than 50 acres in size. In 1949, out of 194,000 commercial, full-time farms enumerated by census takers, only 3,000 reported farm sales in excess of $10,000. Well over half of 112,000 reported gross farm sales of less than $2,500.

Take the South. As a whole, 43 percent of all families on farms producing for commercial markets had family incomes from all sources of less than $1,000.

I wish that I could report substantial increases in farm income since 1949 but the facts are otherwise.

Perhaps the best way to picture the cost-price squeeze in North Carolina is to analyze the situation for an average coastal plains cotton and tobacco farm. Unpublished data in the Department of Agriculture indicate that an average coastal plains cotton and tobacco farm is around 100 acres in size. A farm of this size will have 7 to 8 acres each of tobacco and cotton, about the same acreage in hay, 15 to 18 acres of corn, and 5 to 6 acres of other crops.

In 1947–48, a farm of this type had a gross income of about $7,000 and production expenses of about $3,900. Although the gross income was a little higher in 1953, increased production costs left the operator and his family with less net income in 1953 than in 1947–49. Data for 1954 have not been summarized at this date, but lower crop yields last fall caused farm income to drop in this area while continued high production costs brought the net income to the lowest level in many years.

Take the Nation. We turn now to the Nation as a whole. There is no doubt in my mind, and the statistics prove that we truly are a nation of marginal farmers. Eighty-two percent of the total farm families—or 4.5 million farm families—are earning less than $5,000. Consider with me what is the farm family income in America today.

FARM FAMILY INCOME

How would you define a marginal farmer in the eyes of the officials of the Department? Are the efficient farmers those who earn more than $10,000 a year? If so, they represent only 3 percent of the farm families of America.

Here are the figures on the size of the farm families in terms of dollars:

In 1953, before taxes 57 percent of the total farm families or 3.1 million farm families were earning less than $3,000.

For the same year 82 percent of the total farm families or 4.5 million farm families were earning less than $5,000.

And for the same year 3 percent of the total farm families or 200,000 farm families were earning $10,000 and over.

COMPARING PER CAPITA NONFARM AND FARM INCOME

The per capita income is the true criteria on how to measure the living standards. If we take 1953 dollars we find that the per capita income for nonfarm and farm income is as follows:

Year	Nonfarm	Farm income
1946	$1,921	$851
1953	1,970	709
1954	1,926	688

RELATIVE SIZE OF SURPLUSES IN 1954

It is not my intention to go into the price-support program in this statement. It is only incidental to point up the idea heretofore mentioned that a feeling exists all over the country that it is time for the marginal farmer to look for employment other than on the farm.

Where would he go?

I do not know what you would call the serious drop in farm income. I choose to call it a serious recession. Assuming that recession is the right word, what about the surpluses in other segments of our economy?

Take 1954. Would you say that the 28 percent of steel capacity that was idle in 1954 was a surplus? I certainly would.

What about total productive power other than farm production. In 1954 7 percent of United States total productive power was idle.

Now turn to farm production. Only 2 percent of the 1954 total farm output was not currently consumed.

Now some folks will tell the farmer to go into the city to find work. Generally he is not skilled in other occupations. What does he find—that 28 percent of the steel capacity involving all kinds of byproducts is idle and that there is a total idle productive power, also looking for jobs, totaling 7 percent.

In commenting on this situation, I was interested in reading observations in the report on the Conference of Economic Progress, composed of key economists, labor and industrial leaders, who pointed out:

> That only agriculture is being told to help solve the problem of producing less, earning less, and eating less. If the farm population as a whole produces less and earns less, the individual farm family can avoid intense distress only if hundreds of thousands of farmers abandon their farms and rush quickly into city work. But, where are they going to rush, when the surpluses in the city are bigger than the surpluses on the farm?

ARRAYING THE CITY WORKER AGAINST THE FARMER

As indicated by this wide disparity between what the farmer receives and

what the consumer pays should be convincing that the farmer and the city worker have a mutual problem and they must stand together if an answer is found.

That brings me to this point.

I want to commend key labor officials for attempting to counteract the impression that has gained serious ground within the last 2 years in arraying the city worker against the farmer. The labor leadership in America is today speaking out boldly and even before committees of this Congress that the interest of the city workers and that of the farmer is one and the same.

I quote from a statement made before the House Committee on Agriculture a few days ago by Walter Reuther:

> We have witnessed * * * a deliberate campaign * * * to persuade city workers that long-established Government programs to aid agriculture are the cause of high food prices. We of organized labor have been frankly shocked at the nature of this campaign.

He goes on to say that—

> We also know that most of the price we pay for food does not go to the farmer and that the effects of price supports on prices we pay is very small.

The present unemployment totaling approximately 3,750,000 is in my opinion, to a large extent, traceable to the declining farm income. When farm incomes and prices fall to lower and lower margins, this multiplies unemployment and loss of business opportunities.

It should be made doubly clear that the city worker and the farm owner are in the same economic boat. The end of the boat in which the farmer is sitting is leaking badly. As the tide rises, the city worker and farmer will go down together. History proves that the welfare of one is the welfare of the other. The prosperity of one brings higher living standards to the other.

History is too recent not to recall what took place in 1918. The income of the farm earner reached a new level of earnings. The industrial worker was not far behind.

On the other hand, when farm incomes tumbled in the 1930's the income of the city worker followed and unemployment reached 12 million people.

The same experience took place immediately after World War II.

Are we entering another similar phase? Many informed people believe we are.

What about unemployment? Census Bureau figures show that unemployment rose from 1.6 million in 1953 to more than 3.2 million in 1954. In January and February 1955, 550,000 more full-time workers were unemployed. That means today we have 3,750,000 unemployed people. A hard-pressed agriculture has been forced to support some of these workers. At the same time, agricultural workers are being told from certain quarters to look for city work instead of helping to produce the so-called agricultural surpluses.

I repeat, there is, in my opinion, a close parallel between the present low farm income and the rising unemployment.

CHANGES IN FARM AND RETAIL PRICES

A study of the changes in farm and retail prices indicate that instead of the farmer being in the lap of luxury he is suffering in all categories.

Over 90 percent of the foods purchased by consumers are domestically produced. Today consumers are paying higher prices than in 1947–49 while farmers are receiving considerably lower prices for their crops and produce.

There is shown below the changes in the indexes of prices received by farmers for groups of products and changes in the retail prices paid by consumers for the same groups of products in 1954 as compared with 1947–49:

Percentage change from 1947-49 to 1954 [1]

	Prices received by farmers	Retail prices paid by consumers
Dairy products	−8	+6
Wheat and cereal and bakery products	−9	+22
Fruits and vegetables	−4	+12
All farm food prices	−7	+13

[1] Bureau of Labor Statistics and Agricultural Marketing Service.

The analysis speaks for itself. It certainly dispells once and for all that the farmer is reveling in the lap of luxury. At the same time, the farmer is very much concerned with what the consumer is having to pay for what he buys.

If we take all farm and food prices, which includes tobacco, cotton, feed grains, and forage crops for 1954 and compare with the period 1947–49 the farmer is receiving 7 percent less while the consumer is paying 13 percent more.

INVESTIGATIONS

The committee last year followed up the appropriations with a careful study in certain divisions of the Department of Agriculture. This investigation was most worthwhile. The Department can expect additional studies by this Appropriations Committee. This committee wants to see the funds made possible by this budget put into aggressive action. We do not want money spent unwisely, but we do expect dispatch and imagination in the spending.

This is no time for revising regulations, setting up road blocks to sound farm programs which have meant so much to American agriculture. The Department needs to start thinking and planning for the "marginal" farmer who represents 82 percent of the total farm families or 4.5 million farm families in America today.

This is no time to write reports to be filed, never to be read. What is needed is imagination and action.

INCREASED BUDGET REQUESTS

It is most unusual for an Appropriations Committee in so many instances to appropriate more money than is requested by the Bureau of the Budget. That is true of this budget. It was disappointing to members of our committee to note that the action programs in the Department of Agriculture, which have done so much to improve the position of the farmer, would have been seriously curtailed under the budget requests.

I refer to the following:

We increased the Soil Conservation Service by $2,916,379;

The Market News Service and market inspection by $395,000;

The school lunch by $15,236,197;

The plant and animal disease control programs by $496,000; and

The watershed protection and flood prevention by $2,300,000.

In addition there was a $5 million increase in the REA program which will enable the telephone program to continue at the same level as authorized in 1955.

The contingency fund for electrification loans was increased by $65 million.

SUGGESTING REMEDIES

It is very easy to discuss the farm problem. It is quite a different matter to give an answer. With that in mind, Mr. Chairman, I invite your attention to the following suggestions which I feel are a "must" if we find the answer to the current pressing problems facing American agriculture.

First. As a Member of Congress I want to assume personal responsibility for this serious farm problem. The time has come for action. Responsibility must be faced, not only here in the Congress, but in the executive branch of the Government.

Second. This Congress should initiate at once a congressional investigation of the price squeeze the farmers face. While the prices of farm produce received by the farmer has declined 12 percent in the last 2 years, there continues to be a marked increase in the market and processing charges as computed by the Agricultural Marketing Service. I give you the percentage increase being paid by the city worker:

Marketing margin on foods bought by an average urban wage earner or clerical worker family, percentage increase 1947–49 to 1954 [1]

	Percent increase
Meat products	17
Dairy products	26
Poultry and eggs	2
Bakery and cereal products	30
All fruits and vegetables	8
Fats and oils (decrease)	−13
Miscellaneous products	7
Total market basket foods	15

[1] Agricultural Marketing Service.

On page 18 of the committee report, we have directed the Department and earmarked $1 million of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumers food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time.

The committee expects the Department to come up with an answer to this wide marketing margin of foods bought by the city workers.

While we expect the Department to come up with an answer, it is my opinion that an independent congressional investigation is imperative. The Congress is in a better position to determine why it costs more to get some of our farm produce from the Hudson River to

the consumers in the New York area than it does to raise and ship the same produce grown in the West to the same New York area.

Third. The various States were very eager to see increased appropriations given for research. For research the committee is appropriating $37 million. A great deal of this sum goes to the various States. I ask the question: Are we creating more and more jobs at at the State level? The limitation of time prevented a full analysis of the results of the research program at the State level. We know that much has been accomplished. While we need research we presently need more imagination from the State level on marketing.

It is time the States began to come up with answers to the rapidly declining farm income and price squeeze facing the farmer. Are the States really interested in the marginal farmer or have they, too, been captured, along with certain farm organizations, with the idea that the day of the marginal farmer is gone? I challenge my own State officials to come to grips with this problem in a realistic way.

Fourth. We read that the administration is thinking in terms of a $2 billion program of aid to countries of Asia. My position will be that before I vote for such a program the administration will have to take forthright steps to move our farm commodities into world trade at competitive prices. That will do more to aid backward countries than all the State Department planning. Dollars will not reach the hungry millions. They want food. Currency problems can be solved if the administration wants to solve the problem. The executive branch should stop dragging its feet in moving our products into world trade.

Today America is the greatest surplus-producing nation in the world. We must export our produce and our manufactured goods. Trade must move freely. There were certain off-the-record comments by Mr. Samuel C. Waugh, Assistant Secretary of State, on this world-trade problem. I am not satisfied that the State Department—as was true of the former administration—is being realistic on this subject.

The action of our committee in earmarking the sum of $2 million to set up a sales organization within the Commodity Credit Corporation to dispose of our farm surpluses is a great step forward. We have placed the responsibility for the disposal of these surpluses where it belongs. Will the CCC have the courage to act?

Fifth. The farm groups of this country should support the increase in the Federal and State minimum-wage laws. The President is recommending an increase of the Federal minimum wage to 90 cents per hour. As of February 9, the Department of Labor estimates that 1,300,000 workers now receiving less than 90 cents per hour would receive a wage increase if the minimum wage is increased to 90 cents per hour. This would represent an average increase of 9 cents an hour or $180 per year, an increase in the purchasing power of these 1,300,000 workers by $234 million.

Sixth. I indicated previously Mr. Chairman the increased buying power in the amount of $234 million that would come to 1,300,000 workers if the Federal minimum wage was increased to 90 cents. It is my feeling that each State should adopt a sound minimum-wage law. There is no way for our committee to gage what this would mean in increased purchasing power involving farm produce. But it is readily apparent that it would mean a tremendous increase in the purchasing power in every State and would have a direct effect on our farm economy. A State by State minimum-wage law would in my opinion not only wipe out the current 2-percent farm surplus that is not currently consumed but the farmer would have to greatly increase his production. Let us think and plan for our growing economy and stop roaming around in the wilderness.

Seventh. If business wants to prosper, if the wage earner wants to keep drawing his paycheck, it is time that the business leadership and the editors of this country join the labor leadership in a campaign of truth and correctly tell the story of the serious plight of American agriculture. The whole story has not been told. All you hear and read about is the great farm surplus. The press, and the chambers of commerce, are not telling the American people that only 2 percent of the year's farm output is not being currently consumed.

What I am trying to say, Mr. Chairman, is let us be absolutely honest with the American farmer. Tell his story correctly. The spokesmen for agriculture should stop kidding themselves with sweet words that 1955 will be a better year for the farmer. Unless the truth is rapidly given widespread publicity and forthright action taken, we face a serious depression in agriculture.

Eighth. The budget for the Department of Agriculture represents only 2.4 percent of the total national budget. With a growing economy we cannot expect to do the job that must be done if the Agriculture budget remains on that percentage basis. Recognizing the farm economy as the basis of our entire economic structure I call upon the officials of the Department of Agriculture and their counterparts in the various States to challenge the Congress and the American people with the true story of the marginal farmer. They should come up with a national prosperity budget for agriculture instead of depressing the marginal farmer, which is the impression I gained, and I think you will also, if you will objectively read our hearings.

It is high time that the officials of the Department of Agriculture who are charged primarily with the responsibility for the downdrift in the farm economy admit that a serious farm problem exists and propose during this session of Congress concrete methods to arrest a further decline in the prices of farm products, which have declined 12 percent in the last 2 years.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I am glad the gentleman brought up this point about not being too concerned about surpluses, even though that may appear to be quite evident upon our agricultural economy. After having seen the hundreds of thousands of refugees in Israel, in Syria, Jordan and Lebanon, and in Pakistan and the starving millions in India, I think we in this country can be very fortunate that we do have a surplus of food, because if ever the time comes when we get to the point where we do not produce enough for our own people to eat, then these people will have a right to worry.

Mr. DEANE. I thank the gentleman. I mentioned that point about surpluses, because it seems to me that only the farmer is being told to solve his surplus problem. I do not think the full truth of the farm program and these surpluses is being told by the American newspapers of this country and by the chambers of commerce. The time has come when the farm program and this surplus be placed in the right perspective. I feel that this is something we should think about; that the farmer continues to show a minus sign and, regrettable as it is, on the part of the farmer, to see the consumers in the city having to pay for all farm crops 13 percent more.

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

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

Mr. VORYS. Can the gentleman tell us how much steel was produced and was unsold and how much industrial production was produced and unsold, because then it seems to me we will have a problem comparable to the farm problem.

Mr. DEANE. I will answer the gentleman by saying that in 1954 28 percent of the steel capacity was idle, or we could call it a surplus, and only 2 percent of the total farm income was not consumed.

Mr. VORYS. Well, the comparison would be how many of the farm acres were standing idle under quotas or other arrangements.

It seems to me that the gentleman is comparing two different things.

Mr. KING of Pennsylvania. If the gentleman will yield for a moment, we should ask Mr. Reuther the question the gentleman just put.

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

Mr. DEANE. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I want to ask the gentleman this question, and say by way of preface that I think he has made a very fine and able statement of the problem. My question is this: Many articles I have read recently have said that the farmer ought to leave the farm and go to the city, in effect, to get a job. What job is available for him in the city, according to the research the gentleman has done on this problem?

Mr. DEANE. That comes to the matter of the point I was trying to make. Let us start a campaign of truth. Let us ask the Nation's press, the farm organizations, the chambers of commerce, business groups, and every organization that is interested in the farmer, to tell the

complete story. First of all, that 82 percent of the American farmers are earning less than $5,000; that we are a Nation of small marginal farmers; that the farm owner is at the bottom of the economic ladder in weekly buying power, and that his estimated 1955 weekly buying power will be $2.52 less than 1954, while all other occupational groups are increasing; that the true picture of surpluses be told and particularly that only 2 percent of the 1954 total farm output was not currently consumed and that we should begin to think of a positive floor under the farm owner that will stop the economic downward trend of his income.

Mr. SCHWENGEL. I appreciate what the gentleman says about the increases. There is one particular point that I want to check up on a little bit. How much of an increase is involved in this $37 million for research?

Mr. DEANE. On that particular item, there was an increase. I yield to my chairman, the gentleman from Mississippi [Mr. WHITTEN] to give the exact amount.

Mr. WHITTEN. There is something in excess of a million dollar increase there. It is about $1,124,000. The bill approves that much of an increase. There was some reduction due to the flora Dominica work and various other projects, the soundness of which was questioned by the committee. If that research is being discontinued, there is not much point in giving them the money for it.

Mr. BOW. Mr. Chairman, the criticism of the Commodity Credit Corporation program voiced in the committee report on the Agriculture Appropriation bill may be the voice of the majority members of the committee, but I wish it clearly understood that I did not and I do not concur in this political attack upon the Secretary of Agriculture.

First, let us make it entirely clear that the farm law under which we are operating at this time, and under which production was increased, Government purchases soared to unmanageable heights, and acreage controls became necessary is the program adopted by the party which is now so critical of the surplus problem.

The 1954 farm law advocated by the present Secretary of Agriculture is only now going into effect.

As so we have here a group of men sponsoring a program to encourage production, providing a method for the Government to buy and store excess production, insisting upon the continuation of that same program, yet directing a political attack against a Secretary who had no responsibility for creating the problem and is doing his level best to solve it.

The committee majority speaks glibly, page after page, and a bit repetitiously, I might add, about selling Government surplus stocks competitively in the world market. They would like us to believe that the Commodity Credit Corporation is deliberately holding on to its surplus stocks in order to have a reason for reducing acreage here at home. The majority wants us to believe that some Machiavellian trait in the Secretary causes him to rejoice in the application of acreage controls that have reduced the production and therefore the income of certain farmers. They see a political motive in his program.

The fact is, as everyone here knows in his heart, that the Secretary of Agriculture is an honest and upright man, and about as inexperienced and disinterested a politician as ever sat in the Cabinet since the mind of man runneth not to the contrary. I doubt that he has ever done anything for a political purpose. Some of us who are in the same party sometimes wish that he were more interested in politics.

All of us know that the Secretary abhors controls on the farmers of America. He accepts them as a part of the law he is called upon to administer. It is rank hypocrisy to say, as the majority has, that "as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms." Of course the Secretary issued the acreage control orders, but he did so because the law enacted by his present critics required him to do so. If anyone is to be blamed for the 55,000 cotton farmers who no longer have sufficient acreage to make a living on the farm, the blame must rest right here in Congress and in the earlier Secretary of Agriculture who sponsored the rigid support law and who refused to take timely action when surplus commodities began to pile up.

If we are looking for political motive, we need look no further than the office of the National Farmers Union where sits the former Secretary of Agriculture, Mr. Charles Brannan, who for political motives refused to reduce acreages when he should have done so, and thus began the downward spiral of farm prices. By his callous disregard for the law and the welfare of farmers, his refusal to take politically unpalatable action, he did much to create the tremendous problems that faced Mr. Benson when he took office.

Now to the meat of this argument.

The committee majority report states that all CCC stocks should be offered on the world market at competitive prices. They say this would permit a resumption of our former high level of production and return their 55,000 cotton farmers to the farms.

What would happen if we followed this advice? What would happen to our regular cotton exports? What would happen to the world price?

The answers should be obvious. If our Government were to offer for whatever it could get its present huge stocks of cotton, it would in effect be engaging ing ruinous competition with our cotton producers. Placing Government stocks on the world market would depress world prices. It would increase the difference between domestic and world prices. It would mean that foreign buyers would first buy all our Government stocks, because they could get them much cheaper, and it would mean that the new crop of cotton instead of going into world markets at a profit would go into Government storage. It would mean more cotton moving through Government warehouses, higher administrative costs, and little if any net gain in total exports of cotton.

The majority criticizes CCC for being a residual supplier of cotton on the world market—for selling only after the normal and usual private channels of trade have exhausted their supplies. What else may CCC do, unless it wishes to compete with our own exporters? Despite the reaction of certain members of the committee, I believe the role of the CCC as a residual supplier is the role that the cottongrower and handler wants CCC to fill.

The Department is working diligently to increase exports from CCC stocks without the disrupting effects the committee program would entail. As Under Secretary True D. Morse recently pointed out, exports are indeed increasing. We exported some 3.2 million bales in the 1953–54 year, and he estimated 4.5 million bales for the 1954–55 year. Agreements are being negotiated under Public Law 480 which should further increase these exports, not only of cotton but of other surplus commodities for which there is a demand abroad. For example, an agreement with Japan will send additional Government-owned cotton to that nation, but only in addition to its usual and normal trade requirements. In this way exports are increased without upsetting private markets and trade.

In the RECORD of February 2, on page 1107, I introduced a statement on this subject including an explanation by Mr. Morse of exactly what is being done with regard to each commodity.

It is ridiculous to blame acreage reductions and support price reductions upon failure of CCC to move the commodities it has acquired. Certainly the expansion of foreign markets will contribute to the solution of the farm problem, but the committee has tried to reverse cause and effect. If there were any readily available way to dispose of these commodities, CCC need never have acquired them in the first instance.

I regret very much that the majority of the committee has used the report on this bill as a vehicle in the political attack upon Secretary Benson. It is an unwarranted and unreasonable attack upon a public servant who is doing his best, honestly and sincerely, to help the Nation's farmers through a very difficult period. There may be, and in fact I have found, reason to criticize the Agriculture Department, but what we are discussing today is not a valid criticism.

With regard to the bill itself, I believe it is on the whole a good measure, and will support adequately the requirements of the Department. Additional funds for research and for soil and water conservation, if properly used, should constitute a real contribution to the long-term welfare of the farmers and the Nation itself. I have personal knowledge of the good work that is being done by the experiment station at Wooster in my district, by the Extension Service there, and in the soil and water program.

Mr. H. CARL ANDERSEN. I yield 20 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I am somewhat at a disadvantage being the fourth speaker, and of necessity there may be some repetition. But once in a

while repetition is a good thing to drive facts home. I think it is well that we have been engaged in this sort of debate today, and I want my good chairman, the gentleman from Mississippi [Mr. WHITTEN] to know that we all personally are his friends and admire his ability, and when we seek to check him, it is only to keep him on the right track because he is such a valuable Member.

Mr. Chairman, while the subcommittee is very largely in agreement on the amount of funds provided for the various activities to carry forth the work of the Department of Agriculture for the coming year, I must say, speaking for myself, I am not in agreement with the numerous criticisms made in the report directed against the Secretary of Agriculture, Ezra Taft Benson, and his staff.

I think everyone feels that Secretary Benson has given his conscientious best in service to those engaged in agriculture, and to the people of the Nation—that no one questions his honesty and purpose, and certainly no one would question his courage. I cannot believe that anyone who knows the facts would accuse him of political expediency in the direction of his Department. He has a hard job, that has become more difficult throughout the years, because others failed to come to grips with the pressing problems surrounding agriculture.

Mr. Benson did not write the law that is responsible for the mountain of surplus commodities that are now hanging over and depressing the farmers' market. He did not write the law that makes allocation and controls necessary. He is only trying to carry out the will of the Congress, which is responsible for the legislation that has helped to bring about the conditions now prevailing in agriculture.

He cannot be blamed for a program which started as a World War II emergency, offering incentives for greater production, and which 10 years after the war is over, such incentives have not been modified and are still in force, which are responsible for the billions of dollars of surplus farm products now overhanging the market, which have brought about the present chaotic conditions.

Mr. Chairman, since the chairman of our committee has charged the Secretary of Agriculture with not selling enough surplus commodity products on the competitive market, and since he has raised this question at various times, and again today on the floor of the House, let us take a look at how well cotton has been taken care of, from a legislative standpoint, for the past several years.

The cotton industry, more than any other commodity group, has had virtually a free hand in writing and directing its own price-support program. For 20 years the cotton States have been heavily represented on the Agriculture Committees of both the House and Senate, and no one objects to that. The cotton legislation now in effect is the handiwork of the cotton State Congressmen.

Now, in 1955, cotton is still being supported at full parity under the law, even though the cotton carried over is expected to reach 9.8 million bales next August 1, more than a full year's domestic supply. It should be noted that this carryover has increased during the year in which acreage allotments and marketing controls have been in effect. We sold last year on the open market 3½ million bales of cotton and expect to export 4½ million bales.

We have been told repeatedly that cotton producers are willing to accept the harsh production controls, which are a part and parcel of high price supports. Now, when the time for rigid controls has come, however, these same spokesmen advocate our dumping of surpluses abroad, in order to justify increased cotton acreage and production.

Such a policy would, of course, only bring new surpluses, and presumedly new demands for further dumping operations. We are now told by the very people who have been advocating high price supports for cotton, that American cotton prices are too high, are holding cotton off of the world markets, and thus has encouraged increased production in other countries.

Mr. Chairman, instead of taking part of the blame for this situation, the advocates of high-price supports for world cotton now seek to fasten responsibility upon Secretary Benson and the present administration, which has only carried out the legislative wishes of the cotton State Congressmen.

Mr. Chairman, they urge that more cotton should be put on the market at competitive prices while, as a matter of fact, the Secretary of Agriculture has been encouraging the sale of American cotton in world markets at competitive prices, and is still doing it. The fact that the United States has sold several million bales of cotton for dollars, through regular commercial export channels, is proof that our selling prices have been competitive.

This normal trade might be halted overnight if the United States let it be known that our policy henceforth would be to offer cotton overseas at whatever price it would bring on a bid basis. The Commodity Credit Corporation could expect to acquire several million more bales under such a sales policy.

Mr. Chairman, Secretary Benson explained fully the policy he is following, in testimony before our committee. He and his advisers, including some of the ablest men in the production and marketing of cotton, has been fearful to follow the policy advocated by our chairman, Mr. WHITTEN, fearful that if they did follow it, they might break the world market to a point where it would lower the domestic market, doing great damage to all the cotton producers and processors in America.

The policy of Secretary Benson is to encourage export of all of the American cotton, or other farm products, the world market will take, without destroying the world market, and demoralizing the domestic market. Secretary Benson knows if we were to follow such a policy, we might develop a situation under which the Government, through the Commodity Credit Corporation, would be selling practically all of the cotton at a much lower price abroad. He said:

> We might have in effect an export subsidy program for cotton without the name.

I think it is fair to say that such a plan for cotton might raise havoc with our domestic industry. The finished cotton goods of our mills would then have little chance to compete in world markets against goods produced in foreign countries from much cheaper cotton. Not only that, we would see a flood of foreign textiles taking established domestic markets away from our local mills.

American textile mills, already at a serious disadvantage because of wage differentials, could not hope to compete with foreign producers enjoying both cheap wages and cheap cotton.

Mr. Chairman, the bill before us for consideration today, to provide appropriations for the Department of Agriculture for the coming fiscal year, is the result of weeks of hearings before our appropriations subcommittee of agriculture, where volumes of testimony were taken in support of the amount of funds requested herewith.

The bill was reported to the full committee by unanimous vote of our subcommittee members, and it also has received unanimous approval by the full Committee of the House on Appropriations.

Realizing the importance of a healthy agriculture to the entire economy of the Nation, and further realizing that farm prices have been depressed to the point that the farmers' net income has not kept pace with the general prosperity prevailing in almost all other industries, our committee, in the hope of rendering what aid we could to stimulate a higher level of prosperity for the farmers who have been caught in a price squeeze for the past 3 years, has thought it wise to be rather liberal in an effort to be helpful.

This bill carries for the regular activities of agriculture, under title 1, as you will note by the comparative table in the report, a total of $694,107,434, which is an increase over the amount appropriated in 1955 of $40,977,474. I should like to point out that this total includes $15,236,197 for the school-lunch program, bringing it up to the amount allowed in 1955 of $83,236,197.

REA FUNDS

For the extension of rural electrification, we increased the appropriation over 1955 from $135 million to $160 million, and we increased the budget estimate request for REA telephone by $5 million, bringing it to a total of $75 million, the same as was allowed last year. For both of these services, the total increase is $25 million over 1955.

We increased the contingency loan fund for REA from $35 million to $100 million, which the committee feels will adequately provide for any emergencies that arise in the coming year.

SOIL CONSERVATION

Fully realizing the great importance of soil conservation to the farmers, and the responsibility of this committee and the Congress to agriculture and the farmers, we appropriated $214,500,000, which will aid them in carrying out soil practice compliances, under which our farmers are reimbursed for same over a wide field, covering seeding, contour plowing, sod waterways, fertilizers, dams,

ponds, and so forth, under the agriculture conservation program. This does not include $80,612,579 for the extension of watershed protection and other conservation operations of great benefit not only to the farmers but to the entire posterity of our Nation, because the conservation of our soil is of such great fundamental importance for the generations to come. It is the responsibility of the Congress to assist in the conservation of the soil in cooperation with the farmers, so that we may leave the productive capacity of the soil better, if possible, to supply adequate food for the constantly increasing millions of our population. Posterity demands it.

RESEARCH AND EXTENSION SERVICE

The current pressing need in agriculture is to cut costs, expand markets, and find additional uses for farm products. That is what research and extension service does.

Mr. Chairman, this service is so important to the farmers, and consumers as well, that I want to give these items a little extra time. These services have done so much more for agriculture, and for the consumer as well, that I feel they should be better understood by the Members of Congress, some of whom in their busy fields of legislative work do not have the opportunity in their committees to secure the information on these two wide fronts that are brought to our Appropriations Subcommittee for Agriculture. These services have not only helped the farmers, and our entire economy, over the past several years, but offer at the present time great aid to the farmers during this price squeeze.

The Secretary of Agriculture, Mr. Benson, and the farm organizations, realizing the need for accelerating the beneficial work coming from scientific research, and the need for the extension service in cooperation with the land-grant colleges to carry the information gained through such research to the farmers, have wisely urged an increase in the appropriations for scientific research and extension service.

FOR RESEARCH

Your committee, after hearing detailed and convincing testimony upon these requests, has recommended for total agricultural research, carried in different sections of the bill, $71,448,000 exclusive of forest research.

EXTENSION SERVICE

The total for extension service in this bill is $48,895,000. These figures in each instance are just about the amounts requested in the budget.

RESEARCH AND EXTENSION SERVICE PAYS BIG DIVIDENDS—HYBRID CORN

Illustration No. 1: After many years of scientific research, which cost perhaps $15 million spent by Federal, State, and private resources, a hybrid corn was developed which has added at least $750 million annually to the value of farm production, and the farmers benefit by over three-fourths of a billion dollars each year in the future, a tremendous return on the small investment.

SOYBEANS

Illustration No. 2: In a relatively few years, by the use of scientific research and the extension service, the areas of soybean production have been greatly expanded. Soybeans have been greatly improved with the average yield increased by over 5 bushels per acre, and the oil content per bushel increase by 1½ pounds.

The National Soybean Improvement Council estimates that 1 extra pound of oil per bushel is equal to $40 million a year added to the earnings of this crop, and that the 5 bushel per acre increase in yield totals $150 million additional in crop value for the farmers.

A relatively small amount of Federal and State funds has been spent in the past few years to bring about this tremendous production wealth from soybeans.

LIVESTOCK IMPROVEMENT

Illustration No. 3: Through only a few years of scientific research designed to increase milk production and improve dairy herds, artificial insemination has produced undreamed of results. For a small fee the farmer can have the benefit of the best germ plasma in the country. Heretofore he was limited to the kind of bull he could afford to buy or rent from his neighbor.

Research has proven and demonstrated the value of production-proved sires and provided the means of identifying them in a herd. In practically every dairy section of the country today thousands of farmers are capitalizing upon these discoveries through the use of production-proved milk strain bulls.

BIG PRODUCTION INCREASE

In 1953, the million cows enrolled in the Dairy Herd Improvement Association averaged about 9,250 pounds of milk annually, compared with the national average of 5,450 pounds. It is almost impossible to compute the hundreds of millions of dollars that the farmers will receive in benefits in the years to come, which will increase in benefits each year in the future. Research develops this information, and the extension service helps the farmer to apply and gain the benefits resulting from the scientific research.

BACON HOGS

Illustration No. 4: Another step forward in livestock production that shows how research and education work hand in hand is the development of meat-type hogs. Many farmers today are turning to the production of hogs that carry less lard and more of the lean cuts that most people prefer, and farmers are beginning to collect market premiums, as packers realize the meat-type hog yields a more profitable carcass. In numerous cases you can see how research has paid off on farms.

POULTRY IMPROVEMENT

Illustration No. 5: Scientific research has developed faster growing chickens and turkeys, better ways of controlling diseases, and more nutritious poultry feeds have made the broiler industry an $800-million-a-year business. Twenty years ago, it was worth only $18 million annually. The increase gained in poultry nutrition is amazing. Ten years ago a 100-pound bag of feed produced 25 pounds of poultry meat; today, it produces 35 pounds of meat. Not long ago it took 13 weeks and 10½ pounds of feed to produce a 3-pound broiler. Now it takes 10 weeks and only 8 pounds of feed—a great gain to the farmers.

ANTIBIOTICS HELP

Scientific research combined Vitamin B 12 and antibiotics to help do the job. Scientific researchers coming before our committee state that research on antibiotics alone is saving poultry producers $100 million worth of feed a year. These results obtained, in numerous instances, at the cost of only a few million dollars a year spent by the Federal Government, help the farmers to greater profits through research and extension service.

The development and use of a chemical—phenothiazine—at a small cost saves the farmers $10 to $15 million a year in livestock production. Most farmers are familiar with this chemical to destroy internal parasites of hogs, sheep, goats, horses, and cattle.

THE SCREWWORM

Illustration No. 6: The screwworm which burrows into the animal's hide and causes $20 million a year damage to southern livestock farmers may have reached the end of its rope. Scientists have found means to eradicate the screwworm fly, and in a recent test on an island in Dutch West Indians they eradicated in one application practically all of the flies on that entire island. Plans are now in the making to attack this screwworm fly in Florida, and other southern States, through this same procedure.

These are only a few of the numerous instances where scientists have developed effective insecticides which are constantly being used to combat the insect scourge, saving the farmer's crops. Agricultural chemicals are assuming a greater importance in the fight against destructive insects, doing great damage to farm crops.

MARKETING RESEARCH

Illustration No. 7: Achievement of marketing and extension education does not stop at the farm gate. It goes on through the utilization of marketing of the farmers' commodities.

Advances in transportation, refrigeration, merchandising and preservation, or enhancement of quality, have been coming to the front rapidly. We can see the result in any kitchen in the American home.

ORANGE JUICE

Illustration No. 8: We are so used to orange juice for breakfast made from frozen orange juice concentrate, it is hard to believe 10 years ago there was no such thing. Joint research by the Department of Agriculture and industry brought about the change. Last year the frozen orange juice concentrate industry used more than half of the Florida orange crop. The scientists have also developed an orange juice powder that can be stored on the kitchen shelf without refrigeration. The powder is now in commercial production. Other fruits and vegetables are also being processed in these forms. Think what this means to the citrus farmers, and its benefit to the health of the consumers.

DRIED EGGS

Illustration No. 9: Thanks to agriculture research, we now also have dried eggs that taste like fresh scrambled eggs, and store well at high temperatures. This research has put commercial cake mixes, containing eggs, on every grocery shelf in the Nation.

These advances will help to relieve the overproduced egg market that is now depressing the farmers' market.

SURPLUS FATS

Illustration No. 10: Here is another incident in which research is helping to relieve a surplus. About 40 million pounds of inedible fats and oils, thanks to scientific research, are now being used annually in the manufacturing of plastics, and in the hot-dip tinning of steel. About 25 million pounds of tallow are currently going into the making of synthetic rubber. The biggest new-found use for farm products, so far, however, is in animal feeds, which are taking about a quarter billion pounds of feed annually. This expanded market, developed through research, has helped bring a better price for inedible fats in the last 2 or 3 years.

MARKETING RESEARCH

Research continues to help and protect the cotton farmer, not only in increased production, but by furnishing him new markets. You can now buy cotton fabrics that resist rot and mildew, that are flameproof and at the same time washable. New weaves make cotton materials resist water—or hold water, whichever is desired. The market places for farm products are slowly taking on a new look because of the effects of research and education. Better marketing facilities are helping to cut down the losses that occur between the time fresh fruits and vegetables leave a farm, and the time they reach a consumer.

Scientific research is developing other savings in marketing fresh fruits and vegetables. Through reducing the cost of icing tomatoes, producers are saving $35 to $40 a car, and losses from chilling have been reduced by 20 percent. One large supermarket last year estimated savings at $90,000 in tomatoes shipped from the west coast.

Research in marketing is also showing how to cut costs in handling. At every step of the way, farmers benefit thereby. The development of a high piler has reduced by 80 percent the labor required to stack 1,000 bushels of apples, and 100 apple-packing plants are now using this equipment, at a saving of $150,000 a year to the farmers. Similar savings and improvements are being made in the marketing and utilization of many major crops.

These examples I have cited represent only a very small fraction of the story that can be told about agriculture research in cooperation with the Extension Service.

An efficient agriculture is the foundation of our national strength, and an aggressive full-scale continued research, backed up with a full program of extension and education, added to our soil-conservation programs, is the bedrock on which our agricultural foundation rests.

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

Mr. VURSELL. I yield.

Mr. WHITTEN. May I say I appreciate the kindly reference to me by my friend, the gentleman from Illinois. I agree with him about the Secretary of Agriculture. There is nothing in the report making any such accusation. Reference is made to the fact that political considerations have had to do with the policy—and that is true. I think if you will check the record you will find that is true. The word "politics" was not intended to have any such connotation. My whole report was directed to the operations of the Department of Agriculture. I have not a word of difference with the gentleman's description of the Secretary of Agriculture. My relations with all these men have been cordial. They are good people. They are good men. I do not think anyone can work with the operations of the Department, like the Department of Agriculture, on all these programs as long as I have without having some decided opinions as to how they should be run.

Mr. VURSELL. I am quite sure that the gentleman did not mean that, but I am so enthusiastic about the high esteem in which the Secretary of Agriculture is held with the people generally and by the farmers of this country that that was my own contribution when I said I am sure no one would question his honesty of purpose, his integrity, and his courage.

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

Mr. VURSELL. Briefly; my time is limited.

Mr. WHITTEN. I would just like to note that this is the program the Department developed. I do not think their own record will sustain it, but they make it—I may be wrong—but does the gentleman think we can produce and not sell competitively?

Mr. VURSELL. The answer to that question is that we find ourselves in a constant dangerous worldwide economic situation where for 20 long years this problem has been builded up. This incorrigible, unmanageable situation has finally met the Congress and the present administration face to face. Shall we use the best brains and the best business and the best diplomacy since we are making great progress, since we are increasing month by month and year by year exports abroad, shall we have a little patience, a little more courage, and see if we can move this surplus sufficiently to ease our situation here at home? Or shall we put too much of it on the world market, on the bid basis, destroy the world market, break it, punish the farmers all over the country, punish the cotton producers all over the country, put world trade in a position where the millions of bales of cotton we have bought we must continue to store and take billions of dollars of loss? In such case the cotton producers and those engaged in this great industry, people who make such a contribution to the economy of our country, will see their markets destroyed and see this dire fate overtake them, and we find ourselves in a worse plight than we are in now?

I simply say that we ought to think this out carefully and courageously try it out and then if we have to, get to the position of which the gentleman has been such an excellent exponent, then if we must, take the results whether they be good or bad. That is my answer.

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

Mr. VURSELL. I yield.

Mr. HALLECK. I have listened with great interest to the gentleman from Mississippi in respect to cotton. I have been down in his country a number of times and through all the places where cotton is raised. I am glad I have had an opportunity to see that operation because I think it helps me to a better understanding.

But I think this is a significant thing in his argument, if I gauge it correctly: What he is now contending is that our present policies have in effect priced American cotton out of the world market, and in that process we have lost a lot of our export trade to new cotton grown in other areas.

The only regret I have is that somewhere back along the line there was not a little more attention paid to the adverse effect in respect to our competitive situation in the world market for cotton, because for years cotton has been on an export basis, and if there is to be a continuation of any high level at all of cotton production in this country we have got to maintain that export base.

Mr. VURSELL. I think the gentleman is quite right.

I have been thinking back today when I heard the name of Will Clayton. He was one of the great exponents of foreign trade, reciprocal trade starting in with free trade. He developed such importance that he was, I believe, Under Secretary of State for quite some time. So brains and efforts have been put into the development of this problem that have come to haunt us today, over the past 20 years. We cannot hope to solve it in the first 6 or 8 months of any administration whether it be a new one or an old one.

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

Mr. VURSELL. I yield.

Mr. WHITTEN. I would like to point out that the Congress did recognize those things, for in creating the Commodity Credit Corporation and in providing the law they provided sales in the United States at the support level plus carrying charges. They provided for sale in world trade at a truly competitive level. It is the board of the Commodity Credit Corporation, of which the Secretary of Agriculture is a member, that has made the support level the world offering level.

We have used cotton as an example here, but the theory applies to almost a billion dollars worth of corn that we have on hand that has not been offered in world trade on a competitive basis, and the tragedy is that in selling it we depress the world price, and in holding it we count it in our production and it cuts down the domestic price. So the farmer gets it from both directions.

Mr. VURSELL. I cannot yield further, but I do respect the gentleman's ability and judgment.

The question is whether you want to take this gamble and give the opportunity to foreign markets to buy cotton at a cheaper price in the world market and help bring that price down. Much of the world's cotton is produced with cheap labor. That means cheaper cotton. Then they not only penalize our Government through the commodity support prices we have to give under domestic laws but they will penalize the industries of this country and be able to flood our country with manufactured products from abroad displacing labor as well in this country.

So while I appreciate the argument of the gentleman from Mississippi, we had better be patient, we had better take another year or two to try to unravel this mess that has been built up during the last 20 years. We have been doing pretty well. We have been in a lot worse shape in this country than we are today.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I want to call the attention of the House to the fact that during a discussion in the hearings, on page 2136, I personally made this comment while we had the Rural Electrification people before us:

I want to assure the REA at all times the right to have sufficient funds to make loans for generating and transmission purposes if they need such loans so as to assure them an ample source of energy at a reasonable rate.

I want to say that the gentleman from Illinois [Mr. VURSELL] backed me up in these words:

Mr. VURSELL. I would like to associate myself with the remarks of Congressman ANDERSEN from Minnesota on this subject.

I appreciate that statement on the part of the gentleman from Illinois as it is simply a token to me of the great value he will prove to be in the future upon our Subcommittee on Agriculture of the Committee on Appropriations.

Mr. VURSELL. I thank the gentleman.

Mr. MARSHALL. Mr. Chairman, I yield 1 minute to the gentlewoman from Minnesota [Mrs. KNUTSON].

Mrs. KNUTSON. Mr. Chairman, I wish to call attention to the dried-milk disposal program undertaken last year in which it appears the best interests of the Government and the farmer were not fully protected. Extensive profits were undoubtedly made by the feed-mixing trade, while our Government suffered unnecessary and exorbitant loss.

Last year on April 22 the administration's Secretary of Agriculture announced the sale of the huge holdings of dried-milk solids by the CCC—the sale to continue until August 31. As the press release stated:

The dried milk will be used largely to make up for the current shortage of soybean meal.

And the explanation continued to say:

This program was not set up to supplant the use of any proteins; it was established to fill a gap in supplies caused by the smaller 1953 soybean crop.

In this discussion I wish to examine this transaction in light of this ostensible purpose—replacing the soybean shortage—without consideration of the potential loss in terms of human food. Ten million dollars was lost in what should have been received by the Government in all justification. Ten millions dollars was received by feed dealers in lush dividends over and above normal profits. This grieves me—the fact than $10 million was not passed on to farmers in lower feed prices—dairy and poultry raisers suffered stiff mixed-feed prices while supports on dairy products were slashed to 75 percent and farm wives sold pullet eggs for 6 cents a bozen. Under these circumstances the Government should have received a price for dried milk that compared with prevailing soybean prices, or if a concession was to be made to feed mixers, farmers should have shared therein through a reduction in feed prices.

First, the price on milk solids was set in large degree by feed dealers without representation by farmers who were the consumers most directly affected. Prices were set following an informal conference with representatives of the American Feed Manufacturers Association held in Washington, March 24, 1954. No record was kept of the proceedings. Out of informal discussion of the proposed sale, it was agreed that a tentative price of not less than 3 cents would be established. The sale price of dried-milk solids under the April 1954 announcement, was subsequently set at 3½ cents per pound east of the Rockies and 4 cents on the west coast, f. o. b. delivery by CCC point. In other words, the Government paid the cost of transportation. Apparently representatives of the American Feed Manufacturers Association placed orders amounting to 381 million pounds. In the first 10 days, word must have been passed on to them because orders flooded in before May 3.

A large volume of orders were phoned or telegraphed to the commodity offices prior to the sale date, May 3, indicating that members of the Feed Manufacturers Association leaked word of this bargain sale to their immediate associates and these were accepted tentatively by Commodity offices contrary to the expressed provisions of the sale announcement. The very fact that the huge volume of orders poured in during the first 10 days is proof a huge take was in the making. While the sale of dried milk at a low price was said to fill the gap resulting from the current shortage of high-protein soybean meal, no actual figures were made available to show relative offsetting cost in the feeds produced. Feed industry representatives felt the price set should take into consideration the additional cost of handling drums and bags of dried milk as against carlot handling of soybean meal, lack of warehouse space to store drums and bags, and so forth. This consideration was not tenable because shipment was spaced over weeks or months at the usable convenience of the purchaser. Seemingly all such excuses from feed-company representatives were accepted at face value as evidence for conceding them giveaway prices.

Investigation developed the fact that up to 75 percent of this dried milk had gone into poultry feeds, the balance into mixed dairy feeds. A chronological history, month by month, for the years 1948, 1949, 1953, and to date in 1954 and 1955 shows that in virtually every instance, poultry feeds have risen in cost to the farmers since milk solids were incorporated in the feeds, showing very clearly the farmer received no benefits whatsoever from the low price set on dried-milk solids.

Second. This price was far below what it should have been, to hold the value of the soybean meal it replaced. It is difficult to compare the actual replacement cost of the soybean meal with dried milk, as used in poultry and dairy feeds by feed mixers, because each feed mixer used his own formula which is carefully guarded from competitors. Personnel in the Animal and Poultry Husbandry Research Branch, Agricultural Research Service, state that no direct replacement, percentagewise, can be made in formulas of dried milk for soybean meal due to varying content. On an equal percentage basis of replacement, research personnel contend that 10 percent of dried milk could safely replace a like amount of soybean meal. If one eliminates the Government's freight and handling cost estimates at 1 cent per pound—deducted from the 3½-cent price, the cost of the dried-milk solids to feed dealers was 2½ cents per pound. Even when this competition forced soybean meal down, its price on November 1 of last year was still 4.8 cents per pound. In other words, feed dealers received gratis 2.3 cents per pound at the very minimum. A lush deal?

Third. The administration proved itself extremely inefficient with surprising lack of concern for the farmer consumer and loss to our Government. A more equitable and realistic price of at least 5½ or 6 cents per pound for the surplus dried-milk solids to offset soybean meal prices during the sale period would have saved the taxpayer more than $10 million.

Even during the time this sales program was in progress and for some time prior thereto, the Department disposed of rather large quantities of infested, cake, or otherwise damaged dried milk at higher prices. From April 1, 1952, to April 28, 1954, these sales totaled 1.614 million pounds; from April 28 to June 16, 1954, an additional 1.4 million pounds were sold. It is significant to note the average price realized on infested milk was 7.171 cents per pound f. o. b. warehouse as compared to the 3½ and 4 cents for good milk f. o. b. delivery point under this drastic contract at feed-dealer terms. The CCC exhausted its inventory of infested milk. This is really fantastic.

Ten million dollars was lost in this move. One can hardly escape the fact that this is but a manifestation of this administration's lack of regard for farmers through reduced prices for farm commodities, while concessions are readily granted special groups interested in

lush profits at the expense of the farmer and the taxpayer.

Mr. MARSHALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I want to congratulate the chairman of the subcommittee, the gentleman from Mississippi, Congressman JAMIE WHITTEN, and the gentleman from North Carolina, Congressman CHARLES DEANE, on the fine presentation they have given on the agricultural appropriation bill for 1956 before us. I feel that their talks have been very instructive to the Members of the House.

In studying the report of the committee to accompany H. R. 5239, I am very pleased to note that the committee has taken into consideration the need for action programs in the Department of Agriculture and has restored adequate funds for the effective functioning of these action programs. This is especially true in the restoration of funds to the school lunch program which is so essential to the well-being of our school population. I have introduced a bill, H. R. 2600, to increase the funds available annually to the schoolchildren's milk program from $50 million to $87,500,000. In order for the school milk program to function as it should, it is necessary that the entire school lunch program have sufficient funds. In Wisconsin, where the school milk program has been well developed, it is very likely that more funds will be needed as the program expands.

As one who represents a district having a large concentration of REA cooperatives, I am happy to see that the committee has approved the full request of $160 million for electrification loans for the coming fiscal year and also has approved the contingency fund of $100 million for electrification loans to enable the Secretary of Agriculture to meet any large or unusual needs which could not otherwise be handled within the regular authorization on the formula basis in the law. This formula is causing much concern in the State of Wisconsin as our State is around 96 percent electrified and the present formula is holding up many proposed loans.

I further wish to congratulate the committee in recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide for an increase in technical services. Soil conservation begins at the grassroots level; therefore it is imperative that we have broad programs with adequate financing to carry out wise soil conservation policies. It is my belief that an ounce of prevention now is worth a pound of cure when drought hits.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, it will not be possible to elaborate as I would like in the limited time that I have. I do want to say that I appreciate very deeply the thoughtful consideration that this committee has given to the appropriations for agriculture. I likewise would like to say that even a critical attitude is not always out of keeping, in surveying the problems of agriculture. I think we should approach them with the idea that we can improve the efficiency not only of agriculture itself but of the administration of our great Department of Agriculture.

I think, though, that I might briefly point out some of the things that we have overlooked in this problem. There are just two things particularly in the time that I have that I would like to point out. One is that we are puzzled about selling more abroad. Now, the fact is that we are about 95 or 96 percent self-sufficient, and that means that we only have about 4 or 5 percent for export, because we cannot export any more than we import. A lot of different segments of our economy would like to get a bigger slice of that 4 percent. Now, I am not at all unmindful that the cotton producers and the wheat producers have during the years wanted to export the surplus producing capacity that they have, as well as the automobile manufacturers. I could go through the whole gamut of production facilities that we have in this country. All of them want a bigger slice of the 4 or 5 percent, but the only way we can expand it is to do so at the expense of another segment of our economy, and I think we must not overlook that. So the problem of increasing our exports is intimately tied up with the things we are willing to buy from abroad and bring into our own economy here at home. I think a great deal of study is being given to improving that situation and should, but we must not forget it.

Now, there is another thing that has worried me a great deal, because I have been a lifelong farmer. I know that there are in this country a great many marginal farms and farmers. They may be marginal from the standpoint of their productive capacity, or they may be marginal from the standpoint of the size of the farm, but in either instance it means that that family is not going to have an adequate living.

During my lifetime we have seen the trend of great productivity on the part of the individual farmer increase and, with it, a corresponding decrease in the number of farmers. Where have those farmers gone? They have gone into industrial jobs, and that has been going on in such fashion that we scarcely have recognized what was happening. And it is going to continue. When I was a youngster it took about half the number of people in the country to grow enough food and fiber for the other half. Today the ratio is about 1 farmer to 6 nonfarm people. Tremendous strides have been made. That could not have come about had not industry been prepared to absorb those people when they were relieved of the duty of producing food and fiber. How much further that can go I do not know but I do know this, that it must be an orderly process. Frequently I have heard nonfarmers say to me, "Let us have a survival system in farming and squeeze out all of these marginal farmers and then those who are left will have an adequate income." I do not think that is a very wholesome outlook and I have never approved it. I do think that as this program of industrialization goes on gradually those farmers who can make a better living and a better income out of industry than in agriculture will find their place in industry. But it must be an orderly process. It is not fair to propose a farm program which will be a squeezing process upon less fortunate farmers. The trend from farm to factory will not proceed as rapidly in the future as in the past. We should devote our efforts toward maintaining as prosperous an agriculture as possible, based upon the ideal of the family farm.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HARVEY] has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 12 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I think we have a very good bill before us. I have been pleased with the work of the committee. In a great many cases it has not changed very much the figures that were submitted by the Bureau of the Budget. In cases, where the committee has made increases I think they have strengthened the bill. I am speaking particularly in connection with appropriations for soil conservation including watershed protection and flood control. I am happy to see that the appropriations for the Extension Service and for research have been retained approximately as they were submitted by the Bureau of the Budget in each case calling for a substantial increase over the last fiscal year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. H. CARL ANDERSEN. I want to say that I appreciate the gentleman from Kansas [Mr. HOPE] coming to me personally some time ago and urging that this mistake on the part of the budget be rectified; that is, with reference to the Soil Conservation Service. At the same time he urged that the committee approve the amount submitted by the Bureau of the Budget in behalf of the Extension Service and payments to the States for experiment stations. As the committee can well see, this subcommittee did follow the advice of the gentleman from Kansas rather closely in that regard.

Mr. HOPE. I thank the gentleman from Minnesota for his comment and I am very grateful to him and his associates for the fine job they did on the bill.

While I feel that the committee did an excellent job as far as the bill is concerned I have been somewhat disturbed by some of the comment which appeared to me to be political, in the report. And while I do not desire to dwell on that matter at this time——

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

Mr. HOPE. I have very little time, but of course I cannot refuse to yield to my distinguished friend.

Mr. WHITTEN. I cannot conceive of anything in the report being political. We did restore these various amounts that were cut out as the gentleman has pointed out, but I should seriously like to know what the gentleman has reference to in that regard.

Mr. HOPE. What I have reference to are the comments contained in the report, where it is charged that officials of the Department of Agriculture including the Secretary in failing to follow some of the suggestions which the gentleman from Mississippi [Mr. WHITTEN] made—and they may be good suggestions, although I want to discuss them a little later—were motivated by political considerations. I do not believe that statement is fair to the Secretary of Agriculture and his associates in the Department.

Mr. WHITTEN. May I say again I have high regard for the gentleman, and certainly I mean nothing personal with regard to the Secretary of Agriculture. When the statement is made that political and other considerations enter into it, it has been repeatedly said that our farm policy, our agricultural policy, has had to take into consideration world conditions, world affairs, and that has been stated over and over. Now the gentleman seeks to put into my mouth the words that I intend to play politics. That statement was not intended and is not in there. That is the reason I have asked the gentleman to yield, so that I can say political considerations are one thing, but playing politics is completely opposite. There has been no statement that the Department was playing any politics. In fact, I would be the first to deny they are, because I think their actions are in themselves good politics.

Mr. HOPE. I am very glad to have the gentleman make that statement. I would feel very much disturbed if the gentleman were seriously charging the Secretary of Agriculture and his associates with political manipulations.

Mr. WHITTEN. No such intent is here. The statement of political considerations has been made many, many times in the last several years as one of the reasons for a course of action.

Mr. HOPE. I am happy to have the gentleman state his position.

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

Mr. HOPE. I yield to the gentleman from Indiana.

Mr. HALLECK. Let me read one paragraph in the committee report on page 6 which I think clearly indicates that this report is political. It is very short, but I think it is worthwhile:

> Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the executive department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price-support program.

To my mind, it is perfectly clear that that is a charge of political considerations.

Mr. WHITTEN. The gentleman is an expert in politics so I could not argue with his recognition. I would say that my intent of saying that they are playing politics was not there, because I think the action you have taken with a $7 billion corporation in not selling the commodities is anything but good politics. I know that is the only kind the gentleman would prefer.

Mr. HALLECK. May I make this observation as to what is good politics and bad politics? That there can be a difference of opinion does not mean politics is not involved. Lots of times here I think people act for political reasons. I think probably they are off base in doing it, and I do not think they will get the benefits they expect, but it is still a political consideration at base.

Mr. WHITTEN. May I say to the gentleman in reply that I think the gentleman's statement just then proves his point?

Mr. HOPE. What I would like to discuss, Mr. Chairman, is this question of surpluses because as far as agriculture is concerned, it is the crux of our problems at this time. If you look at agriculture from any other aspect than that of surpluses and the serious effects surpluses have on prices, then the picture is good. When you look at it from the point of view of surpluses and the effects they have had, then it is rather discouraging. It is a situation that cannot help but give pause to all of us.

What caused these surpluses we have at the present time? I think we might take a minute to go into that situation. They have been caused in the main by the fact that during the war, we did the same thing with our agriculture that we did with our industry. We expanded it to meet war conditions and requirements. We increased agricultural production by about 50 percent. When the war ended it was easy enough to cut down on our industrial production. You can close down a factory, but you cannot close down a farm. And for a considerable time after the war and in fact until the last 2 years we needed all of this agricultural production. But, just at present, we have a level of agricultural production which we cannot absorb.

I think it is fortunate that we have had surpluses rather than shortages, of course. But we are in a position where surpluses have become a problem as far as management is concerned and that is the thing that is disturbing.

The large surpluses that we have in this country at this time are not only a menace to agricultural prices and the prosperity of agriculture in this country, but they constitute a threat to the economy of the entire world. I mean by that, that there are many countries, all of them friends of ours, which depend to a large degree upon their agricultural exports, and if we should dump our agricultural surpluses on the markets of the world at this time, it would mean economic ruin for countries like Australia, Denmark, Holland, or any one of a dozen other countries that I might mention because they depend upon agricultural exports and have depended upon them for years. I am not talking about new production, I am talking about the agricultural production that these countries have traditionally had for a long period of time. So it is necessary that when we attempt to dispose of those surpluses that we take these facts into consideration.

I know the people of this country want to see our agricultural surpluses get into the hands of people who need them. But we do not want them to go to places where they would do more harm than good, and where they will wreck the economy of other nations and create greater problems than they will solve.

So the problem has been, How can we best dispose of those surpluses? I certainly would not want to have this committee get the idea that we have not been doing something about it. Every Member of the House of Representatives has received a copy of the message of the President of the United States dated January 10, entitled "Activities Under Public Law 480." This document outlines not only the activities that have taken place under Public Law 480, but all the activities that have taken place in the way of surplus disposal along other lines. It points out some of the problems also that confront us with respect to the disposal of these commodities.

I want to briefly go through this document and point some of the steps that have been taken to dispose of agricultural commodities.

He are some of the items that are not included under Public Law 480.

First, Commodity Credit Corporation sales——

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

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOPE. The first thing is Commodity Credit Corporation sales. I am afraid you have got the impression from the committee report that the Commodity Credit Corporation has not been making any sales, but the fact is that from January 1 to November 30, 1954, the supplies disposed of by the Commodity Credit Corporation amounted to $1.3 million. I think I should say that this is the invoice value of the commodities as far as the Corporation is concerned. I do not mean they got that much for them because some of these things were sold at competitive prices.

Then there is the MSA program. Under the Mutual Security Act last year we provided that $350 million should be used to finance the export and sale of agricultural commodities. I am told that all of that $350 million will be used during this fiscal year. The commodities may not all go out, but the amount will all be used or committed. That is quite a sizable amount of surplus disposal, if I may say so.

Now I want to go to Public Law 480 and call attention to what has been done under that act.

I am sure most of you will remember there are three titles to that act. Title I provides for the expenditure of up to $700 million for the exportation of surplus commodities. Most of those will be sold for local currencies, but I have been surprised in conversations recently with those in the Department of Agriculture who have charge of this program, to find that there will be quite a little recovery under that program and that

we are going to get a great deal more than I had supposed we would get out of those foreign currencies. This $700 million will not all be expended this year, but at the time this report came out over $452 million had been authorized to be used this year, and possibly there will be something additional.

Now we come to title II of the act, which authorizes the expenditure of $300 million in the disposition of surplus commodities. This is what we refer to ordinarily as the giveaway program. It will embrace at least the disposal of $150 million worth of commodities this year. Those will go into various channels. In some cases they may be distributed by some of the voluntary agencies to those in need in other countries. In other cases they have gone to the Danube flood sufferers, and those in similar situations, where a relief mission seemed to be indicated.

In title III we have a provision for domestic donations. Under that program there have been substantial donations.

The same thing has been true in the allocation to private welfare agencies of commodities for distribution to foreign needy people.

There is one other item that is contained in title III of Public Law 480, and that is the barter provision. From the middle of 1949, until July 1, 1954, we have had some provisions relating to barter, and about $110 million worth of surplus agricultural commodities were exported under the barter program during that time. But under the barter program under Public Law 480 we have exported $93 million worth of agricultural commodities in 6 months, or almost as much as we exported for the 5 preceding years.

Thus there have been substantial operations in the disposal of these agricultural commodities during the time that the provisions of Public Law 480 have been in effect. The total, including amounts distributed under the Mutual Security Act is something over a billion dollars—all this in addition to amounts disposed of directly by the Commodity Credit Corporation.

Now, getting to the question of cotton, and that is the principal thing the gentleman from Mississippi has discussed, I contend that the Commodity Credit Corporation has followed the right policy. It has kept the price of cotton in this country to the farmers at from 3 to 5 percent above the price-support program.

If the Commodity Credit Corporation has to take over some of the cotton that is under loan—and it will—if it appears that we have to undertake some steps to dispose of it at that time, we hope that it may be done in such way as not to interfere with our economy, and the economy of our friends and allies.

I do believe that a study of all the facts will show that this administration has not been negligent in its program of disposing of our surplus commodities.

Gentlemen, I do not know of any Secretary of Agriculture who believes more strongly in finding markets for agricultural products than Ezra Taft Benson. He has entirely reorganized the marketing agencies in the Department with a view of making them more effective in assisting farmers in the marketing of their products. He is the first Secretary of Agriculture who has given any consideration to the provisions of Title 2 of the Research and Marketing Act passed by the 79th Congress in 1946 and providing for a real marketing program in the Department including an expansion of marketing research.

Under his leadership the administration got behind the proposal to transfer the agricultural attachés from the Department of State to the Department of Agriculture with the result that the number of agricultural attachés is not only being expanded but their activity is being increased on behalf of new markets for American farm products. This complements and supplements the reorganization of the Foreign Agriculture Service into a most effective agency.

Secretary Benson has a tough job. He inherited most of the problems which are confronting him at this time. Everyone knows that I am not in entire accord with Secretary Benson with respect to certain phases of the farm program. But certainly no one can justly say that Secretary Benson has not done a fine, fair, honest job in dealing with the tremendous problems which face him as Secretary of Agriculture at this time.

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

Mr. HOPE. I yield.

Mr. WHITTEN. We all respect and admire the ranking member of the Committee on Agriculture as one of the chief proponents for a two-sale price for wheat, a recognition that if you are going to sell in world channels you must make the prices competitive or you will not do it.

Reference has been made to cotton that we may not need to do anything about cotton. I would like to point out that exports of cotton are around 4 million bales. Formerly it was 8½ million bales.

Speaking of selling competitively in world channels I want to read again a portion of the speech delivered by the Secretary of Agriculture on Tuesday last at Bakersfield, Calif., in which he said:

> And we may as well face the fact that we have increasing competition in the world cotton market. Efficient use of excellent land in Central America, for example, has brought about a sixfold increase in cotton production during the past 5 years, and a further rise in output can be expected.
>
> Meantime, our situation in the United States leaves us no alternative but to call on cotton farmers again to make substantial adjustments in acreage. The Department cannot favor any increase in the national cotton acreage allotment for 1955 under the current supply and demand situation.
>
> * * * * *
>
> But we must face the facts. We must realize that high rigid supports tend to price our cotton out of world markets. They tend to encourage foreign producers more and more to get under our convenient price-support umbrella.

The gentleman from Kansas spent a great deal of his time talking about disposal, and the commodities that he had reference to were offered for sale first, but we tried to dispose of them before we offered them for sale as proven by the hearings of our committee. That I think is unsound.

Mr. HOPE. In reply to what the gentleman from Mississippi, my distinguished friend, just said, may I say that the two-price plan for wheat which I have been advocating, is something quite different from the two-price plan for cotton which he has been discussing, in that the two-price plan for wheat involves sales at the going market price without going through the Commodity Credit Corporation or without any necessity of Government sales of any kind. Under the program that the gentleman from Mississippi is advocating, every bale of cotton exported would have to go through the Commodity Credit Corporation and the Commodity Credit Corporation would have to take a loss on it. The wheat producers are not asking the Federal Government to take a loss on any wheat exported under a two-price system but rather that it go through the normal channels of trade at the world price, without any subsidy.

Mr. WHITTEN. Under the International Wheat Agreement, this committee has had the job of appropriating millions of dollars in connection with wheat so that it would move in world trade below the domestic price. I differ strongly with some of my friends when we try to get relief when they are so well aware that we have to sponsor legislation each year trying to make that commodity competitive.

Mr. HOPE. I simply want to say that what we are trying to do with the proposed two-price plan for wheat is to get away from this requirement of going before the gentleman's committee every year and asking for an appropriation of $100 million or $150 million to pay the export subsidies.

Mr. WHITTEN. The record shows by the Secretary's own speech that this umbrella is moving American cotton acreage overseas and, according to the Department's own investigation, 55,000 cotton farmers are without homes by reason of his order. We are asking merely that the commodities that you have be sold because when they are not sold, if the price is not competitive and they are not sold, then they are counted to drastically reduce the cotton acreage. We are asking what the gentleman has to a considerable extent supported. He would change the formula, however, but pending the change in legislation by the gentleman, ecrtainly any investor in the Commodity Credit Corporation is entitled to have the $7 billion of commodities sold and used. I hope that in these hearings we have made the American people aware of the fact that the Department has had authority to sell all the time at whatever price it took to move these commodities, but it has not.

Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your approval the annual appropriation bill of the Department of Agriculture.

I consider it an honor to be a member of the Subcommittee on Agriculture and

at this time desire to express my deep appreciation to the chairman of the Committee on Appropriations, the able and distinguished gentleman from Missouri [Mr. CANNON], for giving me the opportunity and privilege of serving on this subcommittee.

Our chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN], has served for a number of years on this important subcommittee and is recognized as one of the outstanding Members of Congress. He understands the problems confronting the American farmer and has an unsurpassed knowledge of the Department of Agriculture and its many agencies and divisions. With his knowledge, ability, and understanding, he fights vigilantly for the advancement and rights of our farmers. He has proved himself a friend of agriculture.

The distinguished gentleman from Minnesota [Mr. MARSHALL] and the distinguished gentleman from North Carolina [Mr. DEANE] are true friends of agriculture. The distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN] has served for a number of years on this important subcommittee. During the 83d Congress he served as chairman and is a true friend of the farmer. The distinguished gentleman from Washington [Mr. HORAN] and the distinguished gentleman from Illinois [Mr. VURSELL] are true friends of the American farmer. Partisan politics has no place on this particular subcommittee and this fact is recognized by its members. We are indeed fortunate to have as our executive secretary, Ross P. Pope. He is well qualified for this position and has been of invaluable assistance to me as a new member of this committee.

Hearings before the subcommittee began on January 11, 1955, and continued to March 11, 1955. We heard the testimony of a great many witnesses. The printed reports of the hearings contain 2205 pages.

Mr. Chairman, farm life has been deeply affected by present day agricultural problems. We find a decline in rural morale and more rapid movement away from the farm. Today only 16½ percent of our people live on the farm and these people produce sufficient food for themselves and for the rest of us.

Due to the population growth the farmer today is confronted with rather significant changes in the size of his total domestic market. The farmer today must be able to adjust himself to marked changes in the demand for specific commodities. Sound foreign commerce is essential to the well being of this country and especially so in agriculture. We must strive to develop more outlets at home and abroad. Our surplus agricultural products demand a world market.

The number of people working on farms has declined almost steadily since 1910. Increased use of machinery on farms and increased opportunities for nonfarm jobs has increased the rate of decline since the year 1935. In 1910 we had 13,555,000 people employed on our farms. Of this number 10,175,000 were family workers and 3,380,000 were hired workers. In 1935 we had 12,735,000 employed on our farms with 9,857,000 family workers and 2,878,000 hired workers. In 1954 we had a total employment on our farms of 8,499,000 and 6,545,000 of the total number employed were family workers and 1,954,000 were hired workers.

In 1940 we had 1,500,000 tractors on our farms. Today we have 4,600,000.

When our Constitution was adopted we had less than 4 million people, today we have some 162,400,000. At this rate we will have 200 million people in the United States in the year 1975.

The farmer and agriculture generally feels the impact of industrial prosperity and depression through the prices he receives for his produce and consequently the net income he has received. In 1910 the American farmer's gross income was $7,349,000,000 with his production expenses amounting to $3,556,000,000 thereby resulting in a net income of $3,793,000,000. In 1914 the American farmer's gross income was $7,633,000,000 with his production expenses amounting to $4,064,000,000 thereby resulting in a net income from agriculture of $3,569,000,000. During the base period of 1910–14 the parity ratio reached 100 percent. In 1932 our farmer's gross income was $6,400,000,000 with his production expenses amounting to $4,502,000,000 resulting in a net income of $1,898,000,000 and with the parity ratio amounting to approximately 68 percent. In 1947 the farmer's gross income was $34,002,000,000 with his production expenses amounting to $17,228,000,000 thereby making his net income $16,774,000,000.

This particular year is the record of all time for the American farmer from the standpoint of net income. In 1952 our realized gross farm income was $36,842,000,000 with production expenses amounting to $23,216,000,000 thereby resulting in a net income of $13,626,000,000. In 1954 we have gross income amounting to $34 billion and production expenses of $21,500,000,000 thereby resulting in a net income to the farmer of $12,500,000,000. Realized gross income in 1954 is estimated to be some 4 percent lower than the year 1953 and with production expenses reduced only some 3 percent, making our realized net income substantially lower than the 1953 total of $13,275,000,000. Parity reached 113 in 1951. Parity ratio fell rapidly during 1952 and 1953, resulting in parity ratio of 89 percent for August of 1954.

Parity is not a political slogan. It is not a partisan political term. It certainly is not a subsidy dreamed up by farmers or Farmer's Organizations of this country. Parity simply means that our farmers receive a fair share of the National Income. Parity is just as important to the businessman as it is to the farmer.

Lack of parity means increased inventories and reduced volume of sales to the machinery dealer, the druggist, the automobile dealer, and the grocer.

We have learned recently that agriculture is so tied in with our total economy that it is disastrous to permit it to get too far out of line. In order to meet our domestic and foreign problems we must have a prosperous and expanding agriculture.

QUANTITIES OF FOOD 1 HOUR OF FACTORY LABOR WILL BUY

The United States is blessed with the most productive agriculture of all nations. Our people are the best fed in the world. One hour of factory labor at average prevailing wages in 1954 purchased 10.5 loaves of bread; in 1939, only 8.0 loaves; and in 1929, only 6.4 loaves. You could purchase 2 pounds of steak in 1954 with 1 hour's labor; 1.8 pounds in 1939; and 1.2 pounds in 1929. One hour's labor in 1954 purchased 15.7 pints of milk and only 10.4 in 1939 and 7.8 pints in 1929. Thirty-four pounds of potatoes could be purchased in 1954 with 1 hour's labor; 25.3 pounds in 1939; and 17.7 pounds in 1929. With the proceeds from 1 hours' labor in 1954 we could purchase 3.2 dozen oranges and only 2.2 dozen in 1939, and 1.3 dozen in 1929. Commodities have dropped considerably during the past 2 years but the retail price of food has not followed the farm prices downward.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS BILL

This bill contains total annual appropriations for regular activities of $694,107,403; loan authorization for the Rural Electrification Administration and Farmers' Home Administration of $388 million; and administrative expenses authorization for the Commodity Credit Corporation of $26 million together with an appropriation of $1,634,659 for restoration of capital impairment; and appropriation of $184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expenses limitations for the Farm Credit Administration of $6,290,000.

RURAL ELECTRIFICATION ADMINISTRATION

Pursuant to Executive Order 7037, dated May 11, 1935, the Rural Electrification Administration was established to make loans for the extension of central station electric service to unserved rural people. The Rural Electrification Act was approved May 20, 1936. REA became a part of the Department of Agriculture on July 1, 1939, and on August 28, 1949, REA was authorized to make loans for the purpose of furnishing and improving rural telephone service. Electric and telephone loans are self-liquidating over a period not exceeding 35 years and bear interest at the rate of 2 percent. In the electrification program the principal borrowers are cooperative associations formed solely for the purpose of making electricity available to rural areas. Loans for telephone service are made both to private companies and cooperatives. REA is one of the greatest achievements of our present day Government. Loans for the REA

program beginning June 30, 1936, and continuing to June 30, 1955, amount to $3,046,832,099. This represents 1,417,441 miles of line serving 4,487,045 consumers. Today 91 percent of our farmers have electric service.

Loans for the rural telephone program amount to $257,578,542 with these loans made to 375 borrowers. Four thousand miles of pole line has been improved and 54,000 miles of new pole line has been constructed. More than 100,000 rural homes now receive new or improved services through the telephone program. Over 50 percent of our farmers today do not have telephone service.

Our subcommittee has approved the full request of $160 million for rural electrification loans for 1956. In addition we have approved a contingency loan authorization fund of $100 million for electrification loans, thereby enabling the Secretary of Agriculture to meet any large or unusual needs in any section of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. We will have on hand an estimated carryover of $21 million and probable recissions of $4 million which, when added to the loan authorization request of $160 million will make a total of $185 million available for electrification loans during the fiscal year 1956, exclusive of the contingent fund of $100 million. It is anticipated that loans totaling $185 million will be made during fiscal 1956.

RURAL TELEPHONE LOAN AUTHORIZATION

Our committee has recommended $75 million for rural telephone loans for fiscal year 1956. This is an increase of $5 million over the budget estimate, and with an estimated carryover of $10 million we will have an authorized loan total of $85 million for the fiscal year 1956.

SOIL CONSERVATION SERVICE

Soil Conservation Service was established on April 27, 1935. Today we have 2,650 local soil conservation districts covering some 89 percent of all the farms and ranches in the States, Territories, Puerto Rico, and insular areas of the United States. We have in Kentucky 122 soil conservation districts and we believe in this program in Kentucky. Our watershed protection and flood prevention program is provided for under the Food Control Act of 1944, Public Law 46 of the 74th Congress and Public Law 566 of the 83d Congress.

The 1944 act provided for the 11 large watersheds now in operation. The pilot watershed activities on the 60 small watersheds authorized by Congress in 1953 are being carried out under Public Law 46 and planning work is now being started under Public Law 566. The President, by Executive Order 10584, signed December 18, 1954, set forth general rules and regulations relating to the administration of the Flood Prevention Act known as Public Law 566. This Executive order stated that a policy statement would be issued by the Secretary of Agriculture. So far, no statement has been issued, and I hope that when same is issued by the Secretary, he will not set the percentage requirement to be paid by the farmer for the cost of all improvements, including cost of water and soil retention dams so high as to eliminate all future interest in soil conservation.

Our farmers and ranchers must practice soil conservation. In some instances our soils are deteriorating faster than we are building them up. Erosion is still taking a heavy toll. We still have enough good land left in this country to keep us prosperous and well-fed if we conserve and improve it.

SOIL CONSERVATION SERVICES APPROPRIATIONS

Our committee recommends an appropriation of $58,612,579 for Conservation operations for 1956. This is an increase of $2,916,379 over the Department's budget request and $1,044,000 more than the appropriation for 1955. We recommend $12 million for watershed protection. This is an increase of $1 million over the Department's budget request and $4,790,000 more than 1955. This is the appropriation for the continuation of the 60 small upstream watersheds. We further recommend $10 million for flood prevention. This is an increase of $1,300,000 over the Department's budget request and $804,708 more than 1955. The flood-prevention work in the 11 authorized watersheds is financed out of this particular appropriation. We recommend a total of $80,612,579 for soil conservation services. This is an expenditure for the present and future. We will not only continue to conserve soil and water resources but we will boost the production of our land thereby increasing the income of the farmer.

AGRICULTURAL MARKETING SERVICE

Agricultural Marketing Service was created on November 2, 1953, under authority of Section 161, Revised Statutes, Reorganization Plan No. 2 of 1953. The Marketing Service administers programs relating to marketing research, crop and livestock estimates, maketing news, grading inspection and classing of farm products, freight rate services, marketing regulatory programs, marketing agreements and orders, surplus removal and the school-lunch program.

For marketing research and agricultural estimates we recommend $10,981,000, the amount requested in the Department's budget request. This is $758,000 more than 1955.

For Marketing Services we recommend $11,810,000. To this item we added $75,000 to permit establishment of offices at some of the other locations where Market News Services are needed, as indicated by the testimony presented during our hearings. Of course, the necessary local matching funds must be pledged for all new Market News Services. We also restored the sum of $320,000 which was deleted by the Department for inspection and grading of fresh fruits, vegetables, poultry, and eggs. We believe that the States derive great benefits from joint Federal and State inspection. This particular item was omitted by the Department last year, and again the committee had to place same back in the appropriations bill. For payments to States, Territories, and possessions we recommend $1 million. This is an increase of $100,000, over funds available for 1955. I sincerely believe that the marketing activities of agriculture should be encouraged. My home State of Kentucky is performing outstanding work in this field.

SCHOOL-LUNCH PROGRAM

Our greatest asset is our schoolchildren. Educators and parents realize the importance of good school meals for both the health of the children and effective teaching programs. Some 10 million schoolchildren receive hot school lunches each day. This represents one-third of all our schoolchildren. In 1954 there were 54 million children under 18 years of age. We have an average increase of over 1 million schoolchildren each year. The cost of serving lunches has increased 45 percent since 1946. In the year 1947 all but 7 of our States received 9 cents reimbursement for each lunch served and the average for the Nation was 8.7 cents. In 1954 the average rate per lunch for the Nation was 4.8 cents. This year it is 4.5 cents. States and local communities are financing 70 percent of the total cost of the school-lunch program at the present time.

The Department of Agriculture proposed a $15,236,197 reduction in school lunch appropriation for 1956. The Department maintained that donations of section 32 and 416 commodities would offset the loss of section 6 commodities. I believe that if section 6 articles of canned fruits and canned vegetables, citrus products, and peanut butter are removed from the list of foods made available to the schools for lunches it will have a detrimental effect upon our children in our schools through the loss of a balanced diet. If we follow our Department's request and reduce the school-lunch program of $15,236,197 we do so at the expense of our schoolchildren. Before making this reduction we should pause and remember that since the year 1917 we have spent $129 billion of our money for foreign aid.

Our committee recommends a total appropriation of $83,236,197 for our school-lunch program. We do not believe the Department's request for a decrease of $15,236,197 should be recognized and the amount of the proposed decrease has been restored by this committee.

FARMERS HOME ADMINISTRATION

We have in the United States 41 State offices and 1,500 local offices serving the Farmers Home Administration. Through these offices the little farmer may receive financial assistance when needed. The Farmers Home Administration grants loans which help the small farmer make better use of his land and labor resources. Our committee recommends a loan authorization of $19 million for farm ownership and housing. This is $6 million more than the Department's budget request and equals the appropriation for 1955. We further recommend loan authorization amounting to $122,500,000

for production and subsistence. This is the same amount appropriated for 1955. We recommend loan authorization for soil and water conservation of $11,500,000. This is the same amount authorized for 1955.

AGRICULTURAL RESEARCH SERVICE

Our committee recommends $37 million for research in 1956, which is an increase of $1,178,000 over appropriations for 1955.

We recommend a total of $17,750,000 for Plant and Animal Disease and Pest Control, with this amount being $496,000 more than the Department's budget estimate for 1956. We recommend $14,325,000 for meat inspection. This is the same amount appropriated for the year 1955.

Our committee recommends the full budget estimate of $24,753,708 for grants to the State experiment stations for fiscal 1956. This is an increase of $5,300,000 over the appropriations authorized for fiscal 1955. For foot-and-mouth and other contagious diseases of animals and poultry we recommend $1,900,000. This is the same amount appropriated for fiscal 1955.

EXTENSION SERVICE

Our Extension Service is financed from payments made by the Federal, State, county, and local governments. These funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists, to put into force the educational programs of the Department of Agriculture. We recommend an appropriation of $45,475,000 for payments to States, Hawaii, Alaska, and Puerto Rico for Extension Service. This is $5,800,000 more than the appropriation for 1955. We further recommend an overall appropriation of $48,895,000 for Extension Service. This is $5,357,500 more than the amount appropriated for 1955.

ACTION PROGRAMS

Our committee recommends the restoration of reduction in our action programs proposed in the Department's budget for plant and animal disease and pest control in the amount of $435,579; flood prevention, $495,292; $320,000 for inspection of fresh fruit, vegetables, poultry, and eggs, and $15,236,197 for the school-lunch program. We sincerely believe that agriculture generally is facing a crisis at the present time, and that every effort should be made to prevent any further reductions in farm income for the fiscal year 1956.

We all realize that our action programs simply put into effect the results obtained from research and education, and, under no circumstances, should we permit curtailment of our action programs at the present time.

FOREIGN AGRICULTURAL SERVICE

The American farmer believes that the Secretary of Agriculture should have the authority to employ agricultural attachés, and sanctioned the passage of Public Law 690, which transferred this function from the State Department to the Department of Agriculture. Every effort should be made to set up a program for disposal of our surplus commodities in foreign trade, and the additional funds to be appropriated for Foreign Agricultural Service amounting to $850,000 should not be wasted on trade-promotion programs, and foreign advertising materials. We must have an alert Foreign Agricultural Service if we are to continue our world leadership. Our committee recommends an appropriation of $3,365,000 for Foreign Agricultural Service. This is an increase of $850,000 over the appropriation for 1955.

AGRICULTURAL CONSERVATION PROGRAM

Our committee recommends an appropriation of $214,500,000 for fiscal 1956 for our agricultural conservation program. This is $22,800,000 more than the 1955 appropriation. Our agricultural conservation program is provided for under the Soil Conservation and Domestic Allotment Act of 1936. Under this law we share with our farmers a part of the cost of carrying out conservation practices, which, in the opinion of this committee, are essential to the welfare of the Nation. Under no circumstances should the agricultural conservation program service be curtailed to the extent that same is of no benefit to the American farmer.

Mr. Chairman, the people in my home State of Kentucky are very much interested in the Agricultural Commodity Tobacco. In spite of numerous acreage reductions during the past few years we find that we are now faced with further acreage reduction for 1956. The 1954 burley-tobacco crop turned out to be larger than anticipated at the time the quotas for 1955 were announced last fall. The people in my home State of Kentucky are very much concerned over this situation. The Department of Agriculture should be commended for its promptness and dispatch in attempting to solve this important problem. We are proud of the record of tobacco and its success is due largely to the cooperation between the growers, the Department of Agriculture, and the Congress of the United States. This bill contains sufficient funds for proper administration of the tobacco program.

The American farmer has the right to demand a standard of living in keeping to the contribution he makes to the national economy. Agriculture must prosper if the Nation is to prosper.

Our committee recommends this bill to the Members of the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, at the outset of my remarks I desire to compliment the Subcommittee on Agricultural Appropriations on bringing a bill to the floor of the House which I think is completely justified. I especially want to compliment the committee for the amounts they have recommended in the bill for the Soil Conservation Service, watershed protection, and for REA loans. The economy and the welfare of our Nation depend upon him who tills the soil, to a very great degree, for the very simple fact that mother earth is our only real constant economic generating plant.

For two reasons, because from mother earth springs anew our wealth each year and the products from mother earth are consumed either the year they are produced or the year after generally speaking. The cycle through which the products of the farmer travels regulates our economic machinery and generates our national income, that is especially true in normal times. Also the American farmer purchases annually over twice the amount of manufactured goods as do other citizens, on a per capita basis. So we depend to a very great degree on the prosperity of the farmer. I think we worry too much about our surpluses. I saw a cartoon in the Council Bluffs Nonpareil of Council Bluffs, Iowa, the other day where the great horn of plenty was pouring out its great flood of food, feed, and fiber onto this great United States of ours. At the small end of the horn of plenty was dangling communism. The title of that cartoon was "Isn't It Time We Count Our Blessings?" I have said for many years that I shall never worry so long as the good Lord gives us a plentiful supply of food, feed, and fiber. The day I start worrying will be when we have a scarcity and when we have little in the pantry and little in the cribs and little in the granaries and little in the storehouses of our country. That is when we Americans will really have something to worry about. I have been greatly interested in the colloquy here today about the disposal of our surpluses. You know after about 20 years of sending our experts all over the world with our great knowhow, and sending hybrid corn, wheat, cotton, rice, and so forth, and the men with the knowhow, together with all the commercial fertilizer which we have been sending abroad, naturally we are losing our exports of farm products. I was in a corn field in France a couple of years ago come this fall. Being raised on an Iowa farm, after walking through a field of corn, I can come pretty close to guessing what the yield will be, but I asked this question. "How much is this field going to yield?" The farmer said, "About 65 bushels to the acre." I said, "How much did you raise per acre before we showed you how to raise more and sent you the hybrid corn and fertilizer?" "Oh," he said, "about 20 bushels." Well, that is true, not only of corn but of all farm crops all over the world. So we have shown the world how to do the job and we have had this great giveaway program which has been going on all these years, and now the chickens are coming home to roost. Maybe we were justified from a humanitarian standpoint. I hope history will prove it was worth the cost and effort but sometimes I wonder. Now we wonder, are we going to solve the problem before us. Well, we knew this day was coming, but we were hoping that something would happen that would solve the whole problem by some miracle.

Since we have been talking about these reduced farm prices, let me remind you when the drop started. It started on February 1, 1951, when Mr. DiSalle, then Director of OPA, arbi-

trarily said that, "On July 1 next I will roll back cattle price 10 percent." Now, the drop in farm prices did not wait until July 1 for obvious reasons. They started to toboggan from the date he announced he would roll back cattle prices. Then he said, "I am going to roll them back another 10 percent on November 1 of that year." But the Congress said, "You will not roll them back again." But the damage had been done. From that day on farm prices have been on the toboggan. You can call that politics if you want to, but those are the facts. Read the record.

I would like to ask the gentleman from Minnesota [Mr. H. CARL ANDERSEN] a question. You have $37 million in the bill for agricultural research.

Mr. H. CARL ANDERSEN. In all of its phases, yes.

Mr. JENSEN. And then you have $17,500,000 in the bill for plant and animal diseases and pest control.

Mr. H. CARL ANDERSEN. Pest control, yes.

Mr. JENSEN. What percent is transferable?

Mr. H. CARL ANDERSEN. Seven percent.

Mr. JENSEN. So if you have a bad animal disease outbreak or a bad plant pest condition in some area, the Department can spend for any particular outbreak of pests or disease 7 percent of the $17,500,000, or $1,225,000?

Mr. H. CARL ANDERSEN. There is more money transferable in the pest fund than the general fund, unless I am mistaken.

Mr. JENSEN. For instance last year we had had a very bad corn borer infestation in southern Iowa; now 7 percent of the $17,500,000, or $1,225,000, could have been spent by the Department for controlling the corn borer. Is that right? And is not the same true under the provision of this bill?

Mr. H. CARL ANDERSEN. That is approximately correct.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MURRAY].

Mr. MURRAY of Illinois. Mr. Chairman, I would like to compliment the members of the committee, particularly with respect to the appropriation made for the school-lunch program. However, I did want to request a bit of information from the chairman of the committee.

Recently the State Department was so anxious to keep us informed as to their activities that they sent me a beautifully printed copy of the Yalta papers about a week after I had read them in the Chicago local papers. About a month ago, at the request of one of the Nation's most able law-enforcement officers, John Gutknecht, states attorney of Cook County, I wrote the Department of Agriculture requesting that they make available to me an audit they were making with respect to the reasonableness of distribution charges for commodities made available by the Federal Government to the State of Illinois under the school-lunch program. In reply to my request they advised me in part, and I quote:

> We regret that we cannot honor your request for a copy of the above-mentioned audit. This decision is in keeping with the departmental policy concerning restricted availability of certain confidential records, and we are sure you can understand the reasons why such material cannot be released.

The only reason I can understand for not making the audit available is lack of funds to type the audit. Since the action of the State Department with respect to the Yalta papers indicates that the administration is most anxious to keep Congressmen informed, the only conclusion I can draw from the refusal of the Department of Agriculture to keep me informed on this important matter is lack of funds. So I would like to request the able chairman of the subcommittee, the gentleman from Mississippi, to tell me whether in his opinion there is sufficient funds in the school-lunch program to enable the Department of Agriculture to keep the Congress informed as to their program.

Mr. WHITTEN. I will say there is no shortage of funds.

Mr. MURRAY of Illinois. I thank the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, this matter of the report and its reference to the Secretary of Agriculture has been pretty well discussed. My intent is to make a technical point because it is important that we get all this in one package.

In reading the report for the first time, subsequent to the meeting of last Friday morning, I observed this statement on page 2:

> While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

Mr. Chairman, I want to go on record immediately against this statement. This now becomes a permanent record. It would appear there was no opposition to it; that it was read to a committee of 50 members, and that at least 26 members approved it.

I served for 2 years on this particular subcommittee, Mr. Chairman, and I know how it operates. I think on the money items, it did a good job.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield, gladly.

Mr. H. CARL ANDERSEN. I want to say that I recall with pleasure the service of the gentleman on this particular subcommittee, and I regret that he is no longer a member of our subcommittee.

Mr. PHILLIPS. I regret it too, I will say to the gentleman from Minnesota.

The point I am making is only this—and I do not want to belabor it, but this becomes a matter of permanent record and while the gentleman from Mississippi has said very courageously and very frankly that he assumes full responsibility for the report, that it is his report, people reading this——

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

Mr. PHILLIPS. I yield to the chairman of the subcommittee.

Mr. WHITTEN. I did not mean to say that; I mean there is little in the report that I would change, that it reflects my views. I did think that it reflected the views of the subcommittee, but the important thing is that it reflects the facts.

Mr. PHILLIPS. If the gentleman will let me finish I think he will not have any objection to my statement.

The point is that this will become a matter of permanent record. When we speak of these reports of the committee we do not mean the subcommittee, we mean the full Committee on Appropriations. Somebody could read it and say: "Look here, a widely respected subcommittee brought in a report and 26 or more members of the full Committee on Appropriations were critical of the Secretary of Agriculture at the time." As a matter of fact, no effort was made; there was no means of making a finding as to whether or not 26 or more people agreed with it, and my own opinion is perhaps just as personal as the chairman, that 26 people did not agree. Certainly the majority of the people in the House have not agreed with it in the past as indicated by the votes taken upon the floor.

In reality, this report attempts to load upon the shoulders of the Secretary of Agriculture a responsibility which is our responsibility. It is a neat trick, but I do not think it can be done, and I honestly do not think it was intended that way. If we were to reenact a law requiring 90-percent support prices, we would price our commodities out of world markets. When we tried to do that in the past, we cut our export sales, and with export sales cut domestic production had to be cut. Anyone could have predicted the outcome, and, as a matter of fact, the present Secretary of Agriculture did predict it.

We should ask ourselves: What would we think of a businessman who priced his products above the market level, then berated his salesmen because sales dropped off and the plant had to shut down?

Mr. Chairman, there is another matter I want to bring up. I shall come back to this one later. I have asked for permission to extend my remarks. Over on page 10 of the report I found another paragraph to which I take exception on the basis of facts. That is the paragraph which states:

> The committee deplores the Department's failure in recent years to use section 32 to support markets temporarily in distress.

As a matter of fact, I do not think that is intended to read the way it does read at all, because I have here, and will put in the RECORD, the actual expenditures from those funds in the past few years.

TABLE 1.—*Sec. 32 expenditures annually, by type of program, 1935–36 through 1951–54*

[In millions of dollars]

Fiscal year	Commodity programs					School lunch cash payments [1]	Administrative expense	Total expenditures [2]
	Purchase and donation	Export	Diversion	Stamp plan	Total			
1935–36	13.0	0.9	3.0		16.9		0.1	17.0
1936–37	11.6	.9	2.9		15.4			15.4
1937–38	46.1	.9	7.3		54.3		1.3	55.6
1938–39	67.3	9.8	2.6	0.1	79.8		1.6	81.4
1939–40	118.2	47.2	3.1	16.7	185.2		4.6	189.8
1940–41	84.4	10.6	13.2	104.0	212.2		7.0	219.2
1941–42	49.0	10.6	7.3	115.8	182.7		6.5	189.2
1942–43	15.0	6.7	15.2	49.2	86.1	1.0	6.5	93.6
1943–44	15.0	1.3	6.7		23.0	33.7	3.8	60.5
1944–45	9.1	4.2	.5		13.8	45.4	3.6	62.8
1945–46	6.2	20.3	3.8		30.3	56.6	4.0	90.9
1946–47	16.2	33.7	21.8		71.7		3.5	75.2
1947–48	45.4	19.9	8.0		73.3		1.8	75.1
1948–49	25.8	27.0	.5		53.3		2.3	55.6
1949–50	41.7	24.6	7.3		73.6		3.9	77.5
1950–51	13.5	24.9	(3)		38.4		3.7	42.1
1951–52	33.2	16.8	1.3		51.3		3.0	54.3
1952–53	55.7	11.5	.7		67.9		3.4	71.3
1953–54	187.9	13.0	1.0		201.9		3.6	205.4

[1] Excludes transfers of $215 million from 1946–47 through 1948–49 by legislative action to finance operations under the National School Lunch Act.

[2] Excludes transfers to other uses by legislative action, allotments, and transfers to cooperating agencies. From 1935–36 through 1951–52 these transfers amounted to $561 million and $41 million respectively.

[3] $2,000.

The two highspots were, first, the last administration, when the expenditures from section 32 funds ran to $219.2 million a year, and last year, under Secretary Benson, when they totatled $205.4 million, which is a pretty good expenditure from those funds. That statement is not accurate and I am sorry it is in the report.

If anybody knows what the attitude of the Congress is on this point of pricing our surpluses on the world market, it is the gentleman from Mississippi. In January 1954, the gentleman from Mississippi introduced H. R. 7490 and H. R. 7545 which would have directed the CCC to sell surplus agricultural commodities at competitive prices in the world market. On March 5, 1954, the gentleman introduced H. R. 8253 which would continue price supports on the January 1954 levels so long as surplus commodities were not offered on world markets at competitive prices. As the gentleman would be the first to say, none of these were reported out of committee.

Furthermore, on January 27, 1954, the distinguished gentleman from Mississippi offered two amendments here on the floor of the House to a resolution to discharge the indebtedness of the corporation. That resolution came out of the Committee on Appropriations. The first amendment the gentleman offered would have directed the Corporation to sell all of the commodities owned by it and not essential to the national security for sale outside the United States at prevailing world prices. The second amendment would have directed the CCC to offer commodities at least equal in value to the amount of the indebtedness. Both of these proposals were stricken out on points of order made by the gentleman from Washington [Mr. HORAN].

Now, therefore, the only record we have is not a record of the committee or the House being in support of the proposal, as stated in the present report. It is a record that the House is not in support of the proposal.

Had the Secretary of Agriculture done what the Congressman suggests, the cost of export subsidies would have been staggering.

The Government would have had to buy a substantial part of the domestic crop at the high support prices, and sell a part of it abroad. Instead of supporting the market, which was the intention when we created the CCC, the Government would have become the market. Private trade would have dried up. Exports would have become the responsibility solely of the Government.

What the Congressman from Mississippi proposes is in reality a two-price plan, and I am a supporter of the idea of two price disposal of surpluses, but not at the expense of the taxpayers generally, that is, by Government subsidy, and without regard to the effects on world markets.

I would refer to wheat as an example, but the gentleman from Kansas [Mr. HOPE] has already covered this. It is an example of what I am talking about.

What the gentleman from Mississippi says is, "Go ahead and get the stuff out of the country and let the farmers go ahead and produce."

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

Mr. PHILLIPS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to the gentleman that I introduced all of those bills making it compulsory without any desire to control by law, because they would not use the discretion and the authority that they have now, trying to point out the fact that they have authority to sell. I want a change in policy not a law. In that connection, if this debate today has made the American people aware that this Corporation and the Department of Agriculture have authority to sell in world trade competitively, these billions of dollars worth of commodities it will certainly not have been in vain. I checked the speeches of Mr. Benson, the Secretary, and his associates and releases of the Department, more than 600 of them, for the first 2 years and not in a single one was it ever stated that the Department had authority to sell in world trade at a truly competitive price. In January, when I had the Secretary before me, this year, 2 years after he had been in this position, I said, "Mr. Secretary, don't you know that you have authority under the charter of the Corporation to sell at a truly competitive price?" He looked puzzled, and he said, "I presume. I think so." He turned to his attorney, the solicitor of the Department, then and said, "There is no restriction for sale on the world market." That is the first time, and it is borne out by the record. I have the record before me.

Mr. PHILLIPS. I am not questioning the gentleman's reading of the record.

Mr. WHITTEN. I can cite the page and the chapter in the hearings. But, the point I am making is that these bills that the gentleman has reference to are an effort to get him to use his discretion.

Mr. PHILLIPS. My point is, as the gentleman knows, the Congress has not yet decided the issue, as presented by the gentleman from Mississippi.

Mr. WHITTEN. Let me say that there are two things. Now, the Corporation has authority to support and authority to sell at any price. They have not used that latter authority. The bills I had were not because I wanted to control by fixed law, not to force them, which is a separate thing from getting him to use his discretion in view of present conditions.

Mr. PHILLIPS. I want to say this, had we followed the policy now which is contemplated in this report, then we would have had a very different situation.

If Secretary Benson were endeavoring to discredit the farm program, I know of no quicker way to do that than to dump our surplus commodities abroad, break world markets, alienate friendly nations, turn the farmers loose to produce all they want at a high price, and incur prodigious losses.

The Secretary has discretionary power to offer surplus products on export markets at world prices. He is exercising that discretion wisely.

The Department of Agriculture, in my opinion, has pursued a wise and statesmanlike course. CCC disposals have increased sharply in recent years, as follows: 1952, $676 million.

Mr. WHITTEN. Did I understand the gentleman to say "disposals" or "sales"?

Mr. PHILLIPS. I said "disposals."

In 1953, $745 million, and in 1954, $1.4 billion.

I submit that there is no export policy that could move, in a short period, the prodigious surplus stocks created by mandatory price support at 90 percent of parity.

Let us face it: If we are going to support prices consistently above the world level, we will price ourselves out of world markets and will have to shrink our acreage. No political sleight of hand can transfer responsibility for that outcome

from those who vote for the high supports.

I think the Department is really trying to do a good job.

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

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. GUBSER. Mr. Chairman, one of the most lucrative investments this country has ever made is the dollars we have paid out for agricultural research. Because of research, farmers have experienced phenomenal increases in their ability to produce. Research has taught farmers how to irrigate, to fertilize, and to combat diseases and pests. Because of research we have disease resistant and more highly productive seed. We have better tools and a greater production per acre. By increasing production, agricultural research has helped to win our wars and raise our standard of living. Every dollar invested in agricultural research has come back 100-fold with interest.

Price supports and agricultural conservation payments have probably helped agriculture, but, as a farmer, let me say that I would gladly sacrifice both programs if it were necessary in order to keep a good research program going. You may keep every other payment and guaranty, but give me the information and the knowledge with which I can do a better job for myself.

Because of my intense interest in agricultural research and because I consider money spent for such purposes to be a good investment, I investigated the research portion of this appropriation bill very closely. I find that the budget as proposed by the Department of Agriculture would have increased the spending on research projects by $1,862,000. This increase has been cut by committee action to $1,178,000, or a cut of $684,000. I pointed out in all fairness that the committee has been most generous and this is actually an over-all increase over last year, though the increase is smaller than the Department had requested.

After securing the above figures, I called the Department of Agriculture and made inquiries as to which of the proposed increases would be curtailed as a result of the $684,000 reduction in research. I was given a list of some 18 programs which would, by reason of the decrease, have to be increased by a smaller amount than proposed. Included in this list was a cut in the research on virus diseases of fruits and vegetables of $25,000. Also included was a cut in the Mexican fruitfly research program of $62,000, and a cut in the research program on resistance of insects to new insecticides of $50,000. Let me again emphasize, in all fairness, that this is a cut of a proposed increase of last year.

Mr. Chairman, these three programs are of vital importance to my district. Virus diseases are a constant threat to our farming economy and the Mexican fruitfly situation is most alarming. Because of the discovery of new insecticides and the fact that the resistance of insects to these materials is not known, this program of research is of vital importance to many fruit and vegetable producing areas.

Realizing the importance of these programs and feeling that their orderly and contemplated expansion would not be possible under the committee proposal, I caused amendments to be prepared which, if passed, would restore the contemplated increases of the Department. I consulted with the gentleman from Mississippi [Mr. WHITTEN] regarding these amendments, and the gentleman from Mississippi [Mr. WHITTEN] assured me that it was not the intention of the subcommittee to curtail the orderly and contemplated expansion of these three research programs. The gentleman from Mississippi [Mr. WHITTEN] assured me that the decrease of $684,000 in no way reflected the desire of the subcommittee to reduce these specific programs. Rather, it was contemplated by the subcommittee that the programs could be expanded as planned and the increases paid for out of funds saved from the curtailment of other less essential programs.

Therefore, since it is the intent of the subcommittee to continue these programs and since I have confidence in the judgment of the committee, I have decided against presenting my amendments and will support the committee bill as presented.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from Oregon [Mr. COON], may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. COON. Mr. Chairman, I want to say a word in support of the $12 million recommendation for small watershed development in the 1956 Department of Agriculture appropriation bill. This is $1 million more than the budget estimate and $4,790,000 above the 1955 appropriation.

Under the small watershed program local groups work with the Federal Government in financing and operating upstream watershed work. While we have paid much attention in past years to major dams on the main stems of the rivers, we have neglected the upstream structures that can save the water near the source and play an important part in conservation of water and land. There is a limit of 5,000 acre-feet in programs that can be undertaken under this law.

I believe this budget increase is justified because of the great success of the pilot phase of this program and because of the spectacular response of the local people when offered an opportunity to help themselves in conserving their resources. A total of 65 pilot projects were authorized in the 1954 appropriation bill. Of these, 60 are now under construction or are ready for construction. About $5 million in public money was available last year for this program. A total of $5½ million of local funds was offered to match this—more than the Federal Government could match. In the coming fiscal year a total of $8½ million in local funds is expected to be available for the pilot programs.

I think that the officials of the Department of Agriculture deserve high praise for the speed with which this program has been started, and I am pleased to see the willingness of the local people to help themselves when this is made possible.

Under the regular small watershed program, as authorized by the Hope-Aiken watershed bill, a total of 300 applications, approved by local State organizations, are now pending in Washington. Of these, 43 have already been approved by the Department of Agriculture. An additional 600 applications are being considered in the States. I am told that about a dozen of these applications are from my home State of Oregon.

Thus, in the space of about 3 years, nearly a thousand projects are actively being considered.

A program like this one, Mr. Chairman, is not only good and desirable in itself, but its almost instant success gives a clear indication of the willingness of the people to follow the lead of the Federal Government when it presents them with a simple program of giving the Government back to the people. Efforts are being made in school legislation, in road construction, and in hydroelectric-power development to return to local groups responsibilities they are willing and able to carry. These other programs are bigger and more complicated and thus take more time to work out. They are harder for the people to understand at first. But the response to the small watersheds program shows that when the people do understand they respond. This response is a vote of confidence in the Eisenhower policies.

I might even say that the Democratic majority in the Appropriations Committee, by increasing this appropriation, have given endorsement to the principle of the President's power partnership program.

Because of the desirability of this program, therefore, and because of its outstanding success, I urge that the full $12 million be appropriated by the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, the bill before us is a good bill and apparently is not engendering much opposition. I regret, however, the political implication running through the committee report. Although I do not always agree with Secretary Benson, I think he is an honorable man who is doing his utmost to do a good job. We must not forget that he only administers the laws which are written by the Congress.

The committee on page 10 of its report says it "deplores the Department's

failure in recent years to use section 32 to support products temporarily in disaster." I do not find such claim supported by the facts. Information furnished me by the Department of Agriculture indicates that the total expenditures of section 32 funds for the fiscal year 1953–54, amounted to $205.4 million. This is 4½ times the expenditure made in fiscal 1950–51; 3½ times the amount expended in fiscal 1951–52, and 2½ times the expenditure of fiscal 1952–53. I submit these figures just to keep the record straight.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 7 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I, too, with the previous speaker, appreciate the fine work of the Committee on Appropriations and especially the subcommittee in bringing out this bill carrying the amount of money that it does for our agricultural work. I am quite amazed, after 15 years' service in this body, to have an appropriation bill discussed all afternoon with no one mentioning money, what was given for this program or for that activity, after all, I am quite pleased.

The arguments have been on how the Secretary of Agriculture should run his business or our business. After all that seems natural to me, as a former Secretary of Agriculture caused me plenty of difficulty when trying to persuade him to treat the farmers and producers of Colorado in an equitable manner and he was from Colorado. I thought I should have the opportunity to suggest to him how he should carry on the programs of the Department of Agriculture.

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

Mr. HILL. I yield.

Mr. WHITTEN. I was just as active in those days trying to tell him as I am now, in the same kind of situation.

Mr. HILL. Exactly. I am afraid that the gentleman said just as many good things about him as I did myself. But here today I am pleased to say a few words in adulation, if I may use that word, of the Secretary of Agriculture and the fine work that he has been doing in our area, especially in connection with the Farmers' Home Administration. The Farmers' Home Administration has gone to the rescue of both Democrats and Republicans. I, for one, agree with what was said a while ago that this is no place for partisan politics. Certainly, of all the programs that this Congress has had to deal with since I have been a Member, there is none that stands higher in the scale of nonpartisan activity than that which is done by the Committee on Agriculture, on which I serve, and the Appropriations Subcommittee for Agriculture.

Why should agriculture be Democrat or Republican? Let me ask another question which goes along with what is in my mind. Why should agricultural legislation have to do with any particular section of this country more than any other section? Why should the geography of agriculture affect our legislation?

I am afraid sometimes in listening to this argument that some of our friends are convinced that certain areas producing certain crops are entitled to preferences over other areas in this country. I firmly and 100 percent disagree with that attitude as to any crop. Mr. Chairman, you are looking at a Congressman who has never had a peanut grown in his area and yet I have never come down into the well of this House to find fault with the peanut program.

But we may have difficulties in some areas of agricultural production, such as beets and sugarcane. We could be in difficulty. Wheat is already in difficulty.

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

Mr. HILL. I yield.

Mr. SHORT. I think the gentleman from Colorado [Mr. HILL] is 1,000 percent correct. I want to ask him this question. We have six so-called basic crops: rice, corn, cotton, wheat, peanuts, and tobacco. Those crops receive high-price fixed-parity payments or supports. Is it fair to force the dairy farmer, who represents the single largest and most valuable branch of agriculture, and the poultry raiser to sell their products on a lower scale than that received for these other commodities?

Mr. HILL. My answer is there is nothing fair about it. There never was in the first place. If the gentleman can tell me why potatoes should not be more of a basic crop than peanuts, or on a higher scale than rice?

Mr. SHORT. That is quite true, because the dairy farmer, certainly in my section of the country, and the poultry raiser, cannot pay the high prices for feeds supported by high fixed parities and then be forced to sell their products on a lower level. Many of them are going broke. All branches of agriculture should be treated fairly.

Mr. HILL. Let me get back to what I intended to talk about, which is the Farm Home Administration. I wish to compliment the chairman of the subcommittee on the fine hearings you have had on this bill on the work of the Farmers' Home Administration, beginning on page 1508 and continuing for 100 pages. It is a wonderful record that organization has made. I know some things they should do that they have not done, but at the same time their work has been excellent. Then in your report on page 25 you carry a full paragraph on what fine work the Farmers' Home Administration is doing.

Frankly, I confess to you that in 1953 if the Farmers' Home Administration had not come to the rescue of our livestock producers in the Far West and the Southwest we would have been in real difficulty.

Here I hand a compliment to our Agriculture Department, that I think our whole livestock industry has been handled probably as well as any agriculture program.

I will close my few remarks by saying I appreciate the work of the subcommittee on this agricultural appropriation. I am also appreciative that no one here has said anything about the amount of money the Agriculture Department is going to need or get. It is a fine thing when an appropriation committee can bring in a bill where money is the smallest part of it.

The Farmers' Home Administration performs the following four major activities: First, to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development, including farm housing and other building construction, of family type farms; second, to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices; and fourth, to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers' Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicant who can secure adequate credit from other sources at reasonable rates.

WIND EROSION CONDITIONS, GREAT PLAINS—SUMMARY OF LOCAL ESTIMATES AS OF MARCH 1, 1955

A summary of local estimates indicates that nearly 5½ million acres of land has been damaged by wind action since November 1 of last year. About 90 percent of these damages were reported for the five Southern Great Plains States—the largest concentration being in eastern Colorado, where more than half of the entire acreage was reported. Much of this land was inadequately protected against erosion by wind due to the lack of vegetative cover, absence of crop residues, low soil moisture, and poor soil structure.

Land damages reported as of March 1 for the five Southern Great Plains States was 4,644,000 acres, of which about two-thirds was in Colorado. Estimates for the other four States showed increases during the month of February, particularly in western Kansas and northwestern Texas.

The total acreage of land reported as damaged in the Northern Great Plains was about the same as that of the previous month. The acreage damaged in Wyoming increased from 134,000 on February 1 to 361,000 on March 1. This was partly offset by decreases in estimates for Nebraska and South Dakota.

Land damages this season (as of Mar. 1, 1955)

States	Cropland	Rangeland	Other land	Total land
Southern Great Plains:	*Acres*	*Acres*	*Acres*	*Acres*
Colorado	2,295,000	694,000	34,000	3,023,000
Kansas	504,000	10,000	11,000	525,000
New Mexico	78,000	73,000	1,000	152,000
Oklahoma	228,000	0	10,000	238,000
Texas	568,000	118,000	20,000	706,000
Subtotal	3,673,000	895,000	76,000	4,644,000
Northern Great Plains:				
Montana	64,000	6,000	6,000	76,000
Nebraska	112,000	29,000	7,000	148,000
North Dakota	44,000	1,000	0	45,000
South Dakota	11,000	0	0	11,000
Wyoming	68,000	277,000	16,000	361,000
Subtotal	299,000	313,000	29,000	641,000
Grand total	3,972,000	1,208,000	105,000	5,285,000

Nearly four-fifths of the estimated land damages have occurred on cropland. Range and other lands have also blown where there was insufficient vegetative protection. Land damaged by wind blowing in the Great Plains as a whole increased about 800,000 acres during February, and about 1,200,000 acres since January 1. These increases in land damages were mainly in localized areas where the combinations of land use, soil, and weather conditions resulted in severe soil blowing.

LAND IN CONDITION TO BLOW

In addition to the land already damaged, the estimated acreage in condition to blow in the Great Plains on March 1 was about 20 million, a decrease of nearly 2 million acres since February 1. It was estimated that the crop residues, soil structure, surface roughness, or vegetative cover on this land was inadequate for protection against blowing. About 17 million acres of the total were reported for the 5 southern Great Plains States, the largest acreage being in the critical areas of Kansas and Texas. Estimates in acreage of land damaged, plus that likely to be damaged, has decreased slightly since January 1 due to revision of local estimates. However, this total of damaged land and land in condition to blow was still about 26 million acres.

Land in condition to blow (as of Mar. 1, 1955)

States	Cropland	Rangeland	Other land	Total land
Southern Great Plains:	*Acres*	*Acres*	*Acres*	*Acres*
Colorado	2,148,000	1,234,000	207,000	3,589,000
Kansas	5,274,000	607,000	75,000	5,956,000
New Mexico	491,000	705,000	0	1,196,000
Oklahoma	1,162,000	149,000	25,000	1,326,000
Texas	4,261,000	688,000	100,000	5,049,000
Subtotal	13,336,000	3,383,000	397,000	17,116,000
Northern Great Plains:				
Montana	440,000	68,000	13,000	521,000
Nebraska	585,000	135,000	23,000	743,000
North Dakota	310,000	4,000	1,000	315,000
South Dakota	78,000	5,000	2,000	85,000
Wyoming	145,000	1,554,000	31,000	1,730,000
Subtotal	1,558,000	1,766,000	70,000	3,394,000
Grand total	14,894,000	5,149,000	467,000	20,510,000

Of the 20 million acres still in condition to blow, nearly 15 million acres were on cropland. Nearly half of this cropland is in wheat which has not made sufficient growth to provide ground cover.

CROP DAMAGES

Estimated damages to growing wheat was about 1,390,000 acres on March 1, an increase of nearly one-half million acres during the month of February. Three-fourths of the total acreage of crop damage was reported for Colorado and Kansas.

MOISTURE CONDITIONS

Weather Bureau charts indicate that during February the critical wind erosion areas in Colorado, Kansas, Oklahoma, and Wyoming received the normal precipitation ranging from one-half to 1 inch; whereas, those in Texas and New Mexico received much less than normal precipitation. In the Northern Great Plains precipitation was generally adequate, varying from normal to more than twice the normal amount.

During February, the precipitation was insufficient to replenish soil moisture supplies. The top 12 to 18 inches, for many places in the critical wind erosion areas, were still very dry. In general, the drought conditions persist, but a few areas appear to have enough reserve ground moisture to carry the growing wheat through the spring months.

WINDSTORMS

February was generally a quiet month as relatively few damaging windstorms occurred, nor did they reach the velocities of those experienced last December. The windstorms that did occur at most locations in the critical wind erosion areas were also of shorter duration.

EMERGENCY TILLAGE

Since November 1, farmers have emergency tilled nearly 3 million acres, more than 1 million of which was accomplished during February. About half of the total acreage reported was in Texas and other substantial amounts for Kansas and Colorado. Reports from many areas indicate that the freezing and thawing process has caused the clods on the surface to disintegrate and disappear. This situation, together with dry and powdery surface soil conditions, renders more emergency tillage operations impractical in some areas.

SUMMARY

Land damaged by wind action, mainly in the Southern Great Plains, was nearly 5½ million acres on March 1, an increase of about 800,000 acres during February. Land in condition to blow decreased slightly to an estimated 20 million acres. Land conditions continued hazardous as this large acreage is subject to damages because of depleted crop residues and inadequate cover conditions.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, on page 16 of the report there is a reference to the Commission on Intergovernmental Relations often referred to as the Kestnbaum commission. In the interest of accuracy, may I supplement those comments. The attitude of the Department of Agriculture is referred to and "the reported position of the Commission" is briefly described. I make reference to it only for the purpose of having the RECORD show that the reported position of the Commission is in reality the position of a task force of the Commission. I am sure in reading the context that would be understood.

Mr. WHITTEN. To me it is clear that it was a task force of the Commission.

Mr. HAYS of Arkansas. Yes. I might say that five Members of the House were appointed to the Commission when it was established by the 83d Congress: the gentleman from Iowa [Mr. DOLLIVER], the gentleman from New York [Mr. OSTERTAG], the former Member of the House from Massachusetts, Mr. Goodwin, the gentleman from Michigan [Mr. DINGELL], and myself. I can assure the House that the views attributed to the task force committee have not been approved by the Commission; in fact, no report on that phase of the Commission's study has been agreed upon. I trust that the House will reserve judgment on the important studies being made by the Commission on Intergovernmental Relations.

I have been following this discussion very closely, partly because I am serving as a member of the Subcommittee on Foreign Economic Policy of the Committee on Foreign Affairs. It has been very helpful and it demonstrates the complicated interrelationships of this world we are living in. We must do some things to help our friends in Asia through the point 4 and other types of assistance, but we must do it without damage to our own producer interests.

I am from a State that produces exportable commodities, cotton and rice. There are eager markets for our rice. There are high-consuming populations that want our surplus food. But just as the gentleman from Minnesota [Mr. JUDD] described a moment ago, we could damage our relationship with other countries very materially if we do not consider the effects of unsound trade policies that are based exclusively on economic considerations. While we help our producers, we would complicate our foreign policy problem. So we have these two pressures—one, of necessity, to protect our foreign policy and avoid a situation which will be exploited by the Communists, and at the same time to help our own producers. I thank the gentleman from Mississippi and his able committee for what he has brought out about the stake that we have in the stabilizing of world conditions so that these markets are protected and our foreign policy is served. Actually, I am not speaking hypothetically when I speak of the occupying of markets once held by friendly allies for American producers. We have actually had that happen. We must not let the Communists take advantage of that situation.

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

Mr. HAYS of Arkansas. I yield.

Mr. CARNAHAN. I thank my colleague, the gentleman from Arkansas, for yielding me this time. I want to compliment him as always on the helpful and constructive statement he has made. I have asked for this time to express my own appreciation to the committee for the excellent handling of this piece of vital legislation. I am especially pleased with the increased appropriation for watershed protection and flood prevention under the Soil Conservation Service. And for added emphasis, I would like to read briefly from the committee report. I quote:

> The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

I appeared before your committee in support of the school-lunch program, and I am glad to note that the committee restored the proposed cut of this item so that the school-lunch program will be supported at its present level of $83,236,197. The committee is fully justified in this commendable action. Again I thank the gentleman from Arkansas for yielding to me.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I have asked for this time simply to register my concern over the proposal which the gentleman from Mississippi has made today and on frequent occasions in the past. This proposal seems to be a two-price system for agricultural products.

I come from a cotton-producing section of the country and from a section that has developed rapidly in the field of textile manufacturing in recent years. It is important that all of us who deal with this problem understand and remember that the domestic textile industry is the best customer of the cotton farmer of the United States. The cotton mills of this country consume about two-thirds of all cotton produced in the United States.

The textile industry today is faced with severe competition for world markets and, indeed, for domestic markets from low-wage countries around the world.

The proposal that we sell our surplus cotton abroad to textile mills that are in direct competition with the textile mills in this country, and at a price less than the textile mills in this country have to pay for it, would place an additional burden upon our already heavily burdened textile industry. Is not it enough that the domestic textile industry must compete for world and domestic markets with countries whose wage rates average only about one-tenth of ours, without giving the foreign competitors an additional advantage of being able to buy cotton produced in the United States at a price less than our own mills have to pay for it?

There is another danger involved in this proposal to which I would like to call attention. I refer to the problem facing the cotton farmer who is encountering stiffer and stiffer competition from synthetics. The trend toward the use of synthetics is dangerous enough to the cotton farmer under existing circumstances, and I am afraid the proposal of the gentleman from Mississippi would increase that danger. If to the competitive disadvantages that now face our cotton mills from low-wage countries abroad, is added an addition competitive disadvantage in the form of having to pay higher prices for cotton produced in this country than their foreign competitors pay, I am afraid we may find the cotton manufacturer in this country turning more and more to use of synthetics. This seems to me to be a very real danger and one which should concern those who are interested in textile manufacturing as well as those who are and have been engaged in the business of growing cotton in this country.

While I cannot debate this subject with the gentleman from Mississippi in the few minutes available to me today, I asked for this time in order to indicate my concern about it, and on some future occasion, if we both have the time, I would like to go into it further with him because it just seems to me that the proposal he has advanced is fraught with grave difficulty, not only for the textile manufacturer but for the cotton farmer himself.

Mr. WHITTEN. Mr. Chairman, I yield myself 4 minutes.

If I may have the attention of the gentleman from North Carolina, I appreciate the concern which the gentleman has. I have it too.

I would like to explain what is involved here as I see it. In the first place, if high American costs make it essential to have any price-support system, you are going to have to permit the sale of what is produced in world trade competitively, or you do not sell it, and you are cut back to the domestic market. That is what is happening now. In other words, if the cost or support level is above the world price, you are going to have to sell United States commodities competitively or you are cut back to the American market. Under what I have suggested the Department of Agriculture would have full charge of how much they offer and how often they offer it. The Department could even say how low a bid it would accept. They would have full control under the law, and they have it now, to say how low a bid would be acceptable. They would have the right to turn down all bids.

The other point I would like to make, which is of real serious concern to the textile mills, is this: If we hold this umbrella over world production so that the American producers can go into Africa and into Mexico and Peru—and they are doing it now—then that will provide for foreign textile mills a source of cotton from low-cost areas. Then you lose all your foreign markets. Your problem is just as serious under the present bill as the cotton producers. Unless we get the Department to change its policy, United States production is being moved overseas. In a short time the same thing happens to the textiles. The best suggestion I have heard is that if you were to sell these commodities in world trade on true competition and have two price systems resulting, your domestic mills should be authorized to buy an amount at the world price—equal to that necessary to provide their normal exports. You are just as much in danger under present policies as is the cotton farmer. It is not an easy thing to work out, but if they follow the suggestion I have made—and that is nothing new—what I recommend is carrying out the authority under the present charter of the Corporation—they have the full right to govern how often and how much and to set the limits as to how far down it will go. If we do not get some relief you will be in the same fix in the textile mills as the cotton farmer is now.

Mr. JONAS of North Carolina. If the gentleman will yield, the domestic textile industry is sick today. We used to be the world's largest exporter of textiles.

Mr. WHITTEN. In being sick you have not got anything on the cotton farmer either.

Mr. JONAS of North Carolina. That is correct.

The textile industry is the greatest customer of the cotton farmer in America.

Mr. WHITTEN. But it is not in good condition now, as you have so well said. The cotton farmer is not in such good shape. It is time to try to correct these things and I have urged the use of existing law, where the Department controls every action that it takes, as to how much, how little, how often, and how far they will go so that the interests of the mills can be protected and in the future, cotton production and the textile industry will not be moved overseas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the thing that has surprised me in connection with this bill more than anything else has been that the gentleman from Missis-

sippi [Mr. WHITTEN] seems to have been peeved at the Commodity Credit Corporation and the new manager of the Corporation, yet he has done more to get stuff out of that place than anybody else who has preceded him.

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

Mr. TABER. I would think he would be slapping him on the back instead of hammering him.

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

Mr. TABER. Yes; I yield to the gentleman.

Mr. WHITTEN. May I say that my difference with the Corporation—and I have the highest regard for these people personally—is that that is exactly what they are doing. They are getting rid of things so rapidly. The Corporation is not selling for dollars. It is all right with too many people to give these millions of dollars' worth of commodities away as long as it does not interfere with this world umbrella. The CCC is wasting almost as much money annually by failure to sell than it costs to run the Department. If you count what it gives away it is more.

I am surprised that so many of my good friends think you are not wasting anything if you give it away but that it is lost if you sell it for a little less than you have invested. So my difference with them is over the way they are disposing of it. I wonder when they give it away if they realize they are keeping this world umbrella over prices which moves our production overseas. Most of these commodities have not been offered in world trade competitively and really should not be classified as surplus.

Mr. TABER. Frankly, I myself have never favored the program, but I do feel that this accumulated surplus is a tremendous blight on the farmer. We are faced with this situation. We have got to get that stuff out of there somehow, some way, and not be carrying over from year to year enormous quantities of cotton, wheat, corn, and other things of that character. Unquestionably we have got to carry over some surplus as an anchor of safety, but frankly because the restrictions on production were not put in effect in time we have not begun to hit our stride in that direction yet. As compared with last year this year shows a tremendous increase of approximately 25 percent in every single item of commodity on hand in spite of all that has been done to move out more commodities. On top of that we have a situation here where the bill itself is $100 million or approximately that above what was carried last year. The report itself shows that there was a $75 million increase in the ACT proposition, and it also appears from the different loan authorities that $25 million more was added for the rural-electrification setup. They are pretty well covered all over the country, and it hardly seems as if they would need that money.

Frankly, I hate to see the cost of government running up. The more it does, the more troublesome it gets to be; and the more we allow those commodities to run up, the more we create a menace to the farmers' prosperity. I do hope we are going to be able to bring about a change in the approach that will permit of something being done.

This bill contains permanent authorizations of $168,590,000; loan authority of $388 million; corporate expense of two items: $1,634,000 and $26 million; special activities of $184,517,000; farm credit authorizations $6,290,000; and the straight appropriations without a reappropriation, $694 million. The reappropriation as I get it runs to at least $35 million. It may run a little more.

Itemizing these figures they are as follows:

Permanent authorization	$168,590,000
Loan authorization	388,000,000
Corporation expenses	1,634,000
	26,000,000
Special activities	184,517,000
Farm credit authorization	6,290,000
Bill	694,000,000
Reappropriation	35,500,000
Total	1,504,531,000

Mr. Chairman, this billion and a half is altogether without whatever loss we will get on the operations of the Commodity Credit Corporation.

There is one thing I think we ought to realize in connection with this attempt to sell grain and other things across the water. There may be a little bit we can sell perhaps in a free market without taking too heavy a loss, but there is not too much because if there was any substantial portion of the surplus we have on hand it would absolutely wreck and destroy the economy of the countries that we crowded it on to.

The cotton picture is the worst because that would absolutely tend if we carried it out to destroy the cotton manufacturing industry in the United States. That I do not believe the gentleman from Mississippi or any of the rest of us want to bring about.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I wish to congratulate the subcommittee for reporting this very excellent bill. Every facet of these appropriations for the Soil Conservation Service, the Agricultural Extension Service, experiment stations, the REA, Farmers' Home Administration and other phases of the program permitting more marketing and research activities, will affect favorably the life of the farmers of the eighth district of Florida, which I represent.

I particularly congratulate the committee for giving us an expanded school lunch program. I have asked for this time to direct a question to one of the gentlemen of the committee. I wonder if the gentleman from Minnesota [Mr. MARSHALL] could give me some information about this.

I have a letter from the Superintendent of Public Instruction of the State of Florida stating that some of the funds for section 32 commodities have been reverting back to the United States Treasury yearly. He states a bill is now being considered which would make a portion of these unused funds available to States as cash reimbursement for the purpose of food products for the school lunch programs.

I wonder if this matter came to the attention of the subcommittee?

Mr. MARSHALL. This committee has been very much concerned because of the failure under these section 32 funds to purchase the commodities required in the school lunch program. We have been very blunt in our report. I may say to the gentleman that quite a considerable sum of money is being returned to the Treasury unused. I would further state to the distinguished gentleman that the only way section 32 funds could be distributed to the States is by purchasing the commodities and distributing the commodities, so therefore the Department of Agriculture has not seen fit to purchase the commodities in supply to be furnished to the States. Their funds then revert to Treasury.

Mr. MATTHEWS. I thank the gentleman very much, and I am glad the committee has insisted that all these funds be used for the school lunch program.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, certainly the debate here this afternoon has been interesting and informative, and I am glad that it has been that way. The hour is late. I do not know how much I might add to what has been said, because so many things have been said. However, I do feel some compulsion to say a few things about the bill and the report.

The gentleman from Colorado [Mr. HILL] spoke of the fact that there had been very little discussion of the matter of money in this bill. It is an appropriation bill. I did not hear any discussion of the money involved until I heard the remarks of the gentleman from New York [Mr. TABER], who raised certain questions as to the amounts, and from what I have been able to observe, I am not so sure but what a little attention to the money involved might have saved a little money for the taxpayers of the country. However, aside from that point and since so much that has been said here has involved the matter of agricultural policy and since the Committee on Agriculture has already undertaken and has in progress a study of this whole proposition of disposal and selling of accumulated surpluses, it might have been much better to have had the discussion take place at a more appropriate time.

At any event, what I believe, as I have read the report and listened to the debate, is that it is an unjustified and unsubstantiated assault and attack on the Commodity Credit Corporation and on our great Secretary of Agriculture. I am almost led to believe that possibly that is in here as a diversionary tactic as far as the issue of money is concerned.

Now, certainly, as we look at agriculture's situation in our economy, none of us are happy at the decrease in revenue. My district out in Indiana is, I suppose, half agriculture and half industrial, and I have just as much solicitude for the farmer's welfare as anyone in this House. And I know, too, that if the agricultural economy goes down, then it is inevitable that the whole economy goes down. So, we ought to strive for the kind of program that is just and sustainable and

which will do the job that needs to be done.

Now, these surpluses that have piled up and about which most of the discussion has revolved, may I say, have developed under the 1948–49 act with the 90-percent rigid price-support structure. As we have gone along, we have seen the loss of foreign markets, and in those areas of our economy where we produce more than can be consumed at home the loss of foreign markets is a matter of vital concern.

There is another thing about which I am quite concerned, as I have listened to this debate and as I have read this report. The proponents of the 90-percent rigid price support—and the gentleman from Mississippi is one of the most effective, one of the most aggressive, and one of the most vocal—realize that, with upward of $7 billion worth of commodities now in the hands of the Commodity Credit Corporation and more on the farms shortly to be acquired by the Commodity Credit Corporation, we are running into trouble, and there cannot be any mistake about it. We are concerned about what to do with those surpluses.

To my mind, this report, whether intentionally or not, is designed, somehow or other, to make the Secretary of Agriculture and the Commodity Credit Corporation the whipping boys to improve the situation that shortly we will face, I suppose, to reestablish the 90-percent rigid price support. But whether that is so or not, we have heard here a lot of talk about cotton. As I said earlier, I can understand the concern for cotton. If I understand the gentleman from Mississippi [Mr. WHITTEN] correctly, he wants the Commodity Credit Corporation to take over the direct sale of cotton. If that is correct, my view is that the Commodity Credit Corporation will be doing all of the buying and all of the selling, because his proposal indicates that Commodity Credit Corporation is to sell at some lesser price than has been heretofore the established going price. It was pointed out earlier, and it ought to be kept before us, that under the operation of this program cotton has been kept above the support price. I am quite sure that if we do what the gentleman from Mississippi wants to do, certain things will inevitably follow. The first will be that as you break the world price, the price here in sympathy with that will begin to break. And if I represented a cotton-producing district that would not be a happy prospect for me.

Beyond that, as we subsidize it—and that is what it would have to be, because I assume the gentleman would want the cotton sold for less than what we paid for it—the American taxpayer would have to make up the difference.

Reference already has been made to the further injury that could be done to textile manufacturers in this country if the domestic producers of textiles have to pay 105 percent of parity for their cotton, and then you sell it to the foreign competitor at 50 or 60 percent of parity. In effect, what you would be doing would be to use the taxpayer's money to subsidize the foreign competitor of textiles of this country. How long do you think the textile manufacturers of this country would stand for that? What would be the ultimate effect when, as it was established here the other day, textile exports are 10 times that of textile imports? Would you not create a situation in which we would lose the export market that we have been able to hold onto for our manufactured textiles?

In other words, Mr. Chairman, this is a most delicate problem. I do not think it should be dealt with in this offhand manner. I do not think, if you will permit me to say so, that it ought to be handled in a manner I again say certainly smacked very strongly of a political attack when this report was forthcoming. I say that the Commodity Credit Corporation and the Secretary of Agriculture have been doing a good job. It is not as easy as it looks. The report speaks glibly of the great areas where there are dollars to be used to purchase our commodities. May I say that my investigation discloses that those areas are very few, indeed.

We have agreements with many nations in respect to dumping of all sorts of products. We must honor those. Foreign production has been going up and that poses a real threat. Maybe it can all be put off as some sort of a sinister operation of certain big producers in this country to move production to foreign lands. I do not think it can be quite that simply determined.

In other words, the Government has been trying to move these stocks, and the Government ought to do it, because I realize, wanting as I do a sound, prosperous agricultural economy, that these surplus stocks burden the domestic market.

As the gentleman from Kansas [Mr. HOPE] said, they threaten the economic balance of the whole world. And as long as they are with us they will continue to be a threat.

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

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

Mr. GAVIN. I want to call the attention of the gentleman to the fact that it is costing approximately $700,000 a day merely to carry these inventories in the Commodity Credit Corporation.

Mr. HALLECK. Yes, but of course the report points out, at least by implication, that possibly we are continuing to store these commodities just because we do not want to sell them. I do not believe anybody takes that attitude in the Government. As a matter of fact, agreements have been negotiated with 5 nations, Yugoslavia, Turkey, Chile, Peru, and Pakistan, for the disposal of $145 million worth of these commodities. Negotiations are on with other nations. I hope they continue. I hope we can find ways to dispose of these products because, as I say, they do broaden the market. But certainly it cannot be done in connection with the consideration of this appropriation bill. It cannot be done in closed hearings before the Appropriations Committee. I think it is a matter for the continuing study of the great Committee on Agriculture, to find out just what we can do or what more should be done in order to move these surpluses.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I had expected to yield this time to another member of the subcommittee, who has graciously agreed that I take this time in view of the statement of our very effective friend from Indiana. I hope he will pardon me on this because it is most surprising to find so many of my friends on the left who I know have always supported the saving of Federal funds being in the position you are taking with us today.

First, may I say there is no legislation in this bill. We are not trying to change the law. The law now is that there shall be a Commodity Credit Corporation. It was set up as a corporation so it could buy and sell, sue and be sued, act in a business way. That is the law. It has been the law.

The law provides that its directors can be from businessmen throughout the country. Their report to us is that this corporation, which has invested $7 billions of the taxpayers' money, yours and mine, has at present only a program of getting rid of the commodities in every way under the sun except simply selling them for dollars at truly a competitive price.

My friend from Indiana says it is not as easy as you might think. We persuaded them to offer 8 or 9 commodities last year on a competitive-bid basis. They sold substantially all of them for $453 million United States American dollars.

I was in Germany and met with the grain trade and was told by a big operator in the grain trade there that they would buy 2 million tons of American wheat if we would just match the French price, which was $6 a ton less than ours; and they have the money. The CCC not withstanding its authority would not match French prices and we do not get the sale.

The record of the hearings shows foreign countries do have dollars. As long as we are spending $3 billion in Europe for our military, as long as you have a military appropriation bill of around $32 billion, they do have the money, dollars. They are spending those dollars in the United States. According to the Department's own figures, because we are holding farm commodities off world markets at truly competitive prices, only about 18 percent of those dollars are being spent back with us for agricultural commodities, whereas prewar about 29 percent of those dollars were being spent for agricultural commodities.

Let me repeat. What we have done in this committee is not take over anybody's legislative responsibilities. We have pointed out these terrific losses, $700,000 a day in storage costs alone mostly on commodities not even offered in world trade at competitive prices.

What do we ask? We ask the Commodity Credit Corporation, "Won't you please offer your commodities for sale for dollars and at least see if you cannot sell them? You are the judge of how much you offer, you are the judge of how often you offer. You can even say what bids you won't accept." That is what you did when you offered these commodities for sale last year and sold

them for dollars. They said, "Bids below a certain level will not be accepted."

I am asking for a change of policy. I do not want to write a straight-out inelastic law to say, "You have to sell all." I introduced some bills so that at least somebody in the country would begin to find out that the Commodity Credit Corporation all the time has had authority to sell in world trade competitively. The officers of the Corporation just would not do it.

You can attribute politics to anything I say, but it is surprising to me to find that all of the officers of this Corporation are Department of Agriculture officials. At least, that is one circumstance which would indicate that the Corporation's business is being subjugated to the departmental policies. That is at least one indication that they are making the actions of this $10 billion Corporation subservient to the views of the Department of Agriculture, including the Secretary. When you read this report and see that more than half of the losses this year are in storage costs, do you not think it is time that we sold some of it? I hate to mention any names, but there is nobody here that I have higher respect and regard for than the gentleman from New York and the gentleman from Indiana. They have fought hard to save money. They have talked about these huge CCC holdings and investment. They say it is jeopardizing us. It is jeopardizing us. It is cutting down on our farmers' production. If there is some reason for getting rid of millions of dollars worth of commodities under Public Law 480, where you sell it for foreign currency, 90 percent of it which is not even under the control of the Congress, if there is some basis for giving it away way off yonder somewhere, is it not kind of silly not even to offer such commodities in which we have our dollars invested, for sale first when the Department's own experience has shown that you can sell them for dollars.

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

Mr. WHITTEN. I yield.

Mr. HORAN. The gentleman's plan, of course, would channel all commodities, especially cotton——

Mr. WHITTEN. No, no.

Mr. HORAN. Oh, yes; it would. As I say, it would channel all commodities, especially cotton, through the Commodity Credit Corporation, and if you are trying to save money by cutting down on the storage costs, you must remember that there are other commodities involved.

Mr. WHITTEN. The corporation now has $7 billion of the taxpayers' money invested in commodities. I may say that if it wants to discharge its obligations as a corporation, it should sell those commodities for dollars if that can be done under a policy where they can follow the markets from day to day and watch what the effects are and watch the markets and feed it into the markets as the markets will absorb it. What we need is just a little change in policy; we need to remove the Secretary's umbrella over world prices, so that our big financial interests, which are increasing in foreign lands, will know that the United States Government is not going to sit here and hold that umbrella which our distinguished Secretary so well portrayed in his speech of only last Tuesday. It would do so much good if we only had a change of policy, regardless of how much of how little we sold.

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

Mr. WHITTEN. I yield.

Mr. HALLECK. The gentleman has spoken of the umbrella. Of course, as a practical matter it is a very useful thing to have around.

Mr. WHITTEN. I was quoting the Secretary of Agriculture.

Mr. HALLECK. Yes; that is right. The umbrella—that is what he called it and that is what the gentleman calls it, so we will say that that is what it is, but that umbrella has operated to keep the market price on cotton in this country above the support price; has it not?

Mr. WHITTEN. You mean in the world?

Mr. HALLECK. No, I mean the price the domestic producer of cotton, the producer in this country has received for the cotton he sells, and I do not mean the Commodity Credit Corporation, has been above the support price.

Mr. WHITTEN. It has, by holding part of the supply unavailable to the world, we have cotton a little above the support price. But in the process, we have found out that in cutting down United States production, you do not curb world production, but you merely shift the production overseas. This is a changed situation. We have found out that what we do here does not necessarily control the world supply situation, it just transfers such production overseas. Your support level in the United States is one thing under the law. That same law provides for sales in world trade of whatever price it takes to move it. In one way or another we must permit the United States farmers to farm and then sell what they produce. Any corporation with $7 billion investment should know that they cannot keep on buying without selling. I am surprised at you advocating giving away the commodities. How could you lose more?

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

Mr. WHITTEN. I yield.

Mr. DEANE. Mr. Chairman, I feel that the House of Representatives and the American farmers should commend the gentleman from Mississippi. The majority of this committee brought out a report which they thought would be in the interest of the American farmers. I believe the gentleman now addressing us has worked very hard on this problem. Surpluses that have been moved within recent years, I feel are due primarily to the fact that the gentleman has been pointing out this problem in such a fine way. I commend him. Further, I would like to make this statement. I, too, am vitally interested in the textile worker, but, as I pointed out in my statement earlier today, the comparative buying power of key groups per week is estimated for 1955, as follows:

The farmer only has $37.11 and the average factory worker has $61.37. My point in mentioning it again today and at this moment is to emphasize unless we begin to think in terms of how to take that price squeeze out of the picture, I do not know what is going to happen to my textile workers.

Mr. WHITTEN. I thank my friend. May I make this statement, and then I will close.

Secretary Benson was before the committee, and he discussed how they had tried to swap this cotton off; how they had tried to give away this wheat and the other commodities; how they had tried to get rid of it this way, that way, and the other way.

Speaking as the Director of the Commodity Credit Corporation, I said, "Now, Mr. Secretary, would you please offer it for sale for dollars? Do you not know that the simplest way and the best way and certainly the first way, if you are going to protect our $7 million, is to offer these commodities for sale and make your price competitive?"

We talk about saving money. A $7 billion Corporation constantly increasing rates and paying storage charges and not offering such commodities competitively—and they testified they had $3,792,000—certainly knows it is spending us blind. It is high time we changed the policy.

All this report does is to show there is authority in the law to sell, and the Corporation has the full responsibility of making the decision not to sell. The Secretary says he has made that decision on recommendation of the trade. I believe a majority of the trade knows we must sell. You are going to have to sell commodities for dollars if you are going to try to protect your investment. Giving them away means taking a hundred percent loss. Many folks are willing that CCC take the loss if we just will not lower the price umbrella over the United States interests abroad. If Mr. Benson, who has the authority to sell these commodities, will sell them, and quit paying out storage charges and giving them away, I think he will render great service.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself the balance of the time.

The CHAIRMAN. The gentleman is recognized for 14 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairmen, I regret that the debate on this most important of all bills relative to the farmers of America, has been forced somewhat along political lines today.

It has always been my observation in the 11 years in which I have helped to handle this bill, that here was one measure and one subcommittee that has been devoid of politics throughout the years. I hope that it will continue so.

Mr. Chairman, our Subcommittee on Appropriations for Agriculture, after 2 months of careful study, has reported this bill unanimously. It contains what we consider to be adequate funds for the programs of our Nation's basic industry, agriculture, for the coming year. While our subcommittee of seven members appreciates the grave need for economy, we

also recognize that agricultural prosperity is the foundation of a prosperous national economy. We feel that we have worked out an equitable bill, fair to the farmer, fair to the consumer and more particularly a measure designed to promote the welfare of our great Nation. In reply to the criticisms made here on the floor relative to the report on our bill let me just say, Mr. Chairman, that it has been my experience during the 11 years in which I have helped handle the annual agriculture appropriation bill, that the report is the responsibility and is prepared largely by the chairman of the subcommittee. Certainly the other members, including the minority members, had the privilege of looking over the rough drafts but in the main this report is the work of our chairman, the gentleman from Mississippi [Mr. WHITTEN]. I want to make it clear also, Mr. Chairman, that while I agree with the major portion of this report, I would, if I had the privilege, strike out certain statements. However, I feel that in the main we have given you a comprehensive and informative report and a good bill.

PARITY FOR AGRICULTURE

The Seventh Congressional District of Minnesota, which I have had the honor to represent for nearly 17 years, is one of the few strictly agricultural congressional districts in America. Certainly the business people in the 155 villages and towns in my district and in the other than rural districts cannot prosper unless the farmers who buy goods, manufactured products and services from them receive a fair return for the food and fiber they contribute to the Nation's economy. It is just as simple as that. If the farmer does not prosper, the income of the people in the city districts cannot materialize. We are interdependent and no one segment of our economy can go it alone. Do you realize that the farmer representing 15 percent of our Nation's population produces food and fiber for the other 85 percent? In reporting the bill which provides for the reenactment of our 90 percent price support program, the House Committee on Agriculture brought out the fact that the parity ratio tumbled from 113 in February 1951 to 94 in January 1953. Since January 1953 the parity ratio has declined from 94 to a current level of 86, a change of 8 points while the average of retail food costs has remained unchanged, close to the postwar peak. The committee's study showed that since 1947–49 prices received by farmers for dairy products have declined 8 percent while retail prices on dairy products rose 6 percent. The farm price of food grains dropped 9 percent while bakery products at retail climbed 22 percent and fruit and vegetable producers received 4 percent less while consumers paid 12 percent more. The report disclosed that an important reason for the upward trend in marketing costs over a period of years is the increased packaging costs between the farm gate and the consumer's door. Increased labor costs also accounted for a part of the farm-to-table spread. Wage rates for workers in marketing farm food products increased from $1.23 an hour in 1947–49 to about $1.70 in 1954. Industrial workers can now buy more food with the earnings from 1 hour of labor than in any period of history. Out of each dollar spent by the housewife for domestically produced food, 57 cents now goes for processing, marketing and transportation charges while the farmer receives only 43 cents out of that dollar.

I have brought these facts to your particular attention since I want once and for all to disabuse your minds of the propaganda that has been circulated far and wide that 90 percent price supports are too generous. It is simply not the fact, and these statistics prove it. Since adopting the flexible price support law, our price ratio has slipped from 90 to 86. The farmer does not want an unreasonable price for what he produces, but since his expenses for operation have remained high and his net profits have declined by nearly 30 percent since 1947, he is forced to demand a reasonable price support floor in return for the production of ample food for the Nation. He has no other recourse. Ninety percent price support under our basic storables is reasonable. We all know that when things are scarce prices are high and that high production should mean lower living costs. However, the equation has not worked out as simply as that. Is it fair to ask the farmer to produce the food and fiber the rest of the Nation must have without protection against a ruinous slump because the good Lord blesses us with bountiful production? The manufacturer of munitions of war is protected. Union labor is protected. Business is protected in many ways. Should the farmer be left to rely on the law of supply and demand? All we are asking is a square deal. We are certainly willing to give the same consideration to all other segments of our economy. Furthermore, agriculture must receive parity prices for its production to encourage this basic industry to produce the food our 160 million people require. Every year there are 2,650,000 more people in our Nation who must depend on agriculture for their food. Shall we say to the farmer, "You produce more food than the rest of the Nation needs and we will pay you off by ruining your price level"? Is that a square deal? Shall the farmer be required to answer to the city consumer for the high marketing and distribution costs? I say to you Members from the city districts, let us give the farmer the break he deserves. Let us not close our eyes to the actual situation as far as the farmer's return for his hard work and long hours are concerned. You will not find any farmer putting in an 8-hour day or a 5-day week. There is no minimum wage, guaranteed annual wage, or unemployment insurance in the farmer's book.

If labor and industry are entitled to a square deal, how about the farmer? It is high time that we got the farmer's situation into the proper perspective. Let me give you an example of how I feel the farmer and everybody in our Nation could have been helped. Last fall the egg producers of the Middle West should have received at least 35 cents a dozen for good medium eggs, but because of a comparatively small 5-percent overproduction the egg market collapsed and the average run of eggs through my area brought the farmer scarcely one-third of what he should have received. A little commonsense price support operation at that time would have strengthened the market and would have given assurance of at least a partial fair return to the producer and prevented much of the financial loss suffered by the poultry industry amounting to nearly $300 million over a few months' time. The Department's refusal to grant my request that they buy up the 5-percent excess production makes them responsible, in my opinion, for this tremendous loss in gross income for the country's egg producers. An expenditure of $25 million, or a little more, to buy up this temporary 5-percent overproduction would have prevented the larger loss. The excess shell-egg production could have been donated to the school-lunch program and the income-tax branch of the United States Treasury would have been ahead through the returns in taxes received from the producers. The people who advocate controlling production by lowering or doing away with price supports on agricultural commodities forget the basic fact that the Nation as a whole can easily lose 10 times the cost of price supports by failing to support the market adequately. The egg market situation last fall is a clear indication of what happens when no support, or little support, in the line of a minimum price floor is guaranteed to the producer.

Time and time again I have heard it said that the 90-percent price supports under our basics have resulted in the accumulation of the commodities we now have on hand. Never once have I heard it said that prosperity for agriculture would justify many times the $2-billion loss incurred to date over a 20-year period. Nobody can estimate how many billions came to the Treasury in income taxes during that period because of a prosperous agriculture.

Agricultural prices are on the way down today. One hundred percent of parity should be given to the farmers of America. A net income of approximately $15 billion, or an average of $3,000 per farmer on the 5 million farms now being operated, would result. For every 1 percent which the general parity index declines below 100 percent, the farmers lose at least $150 million in net income. The Nation as a whole loses seven times that amount, or $1 billion in purchasing power for every 1-percent drop in the farmer's net income. Can we afford low farm prices? I contend that a depression will result if we permit this situation to continue. Today we are at the 86-percent level. It is estimated that the net income for 1955 will be $12 billion or less. The curve of loss to the farmer in net income becomes sharper as the parity price index becomes lower. In this year 1955, when most other lines of industry are receiving the highest rate of income ever received, and when prices in Wall Street are so high that they are the concern of the Congress, the farmer will receive $3 billion less in net income, not gross income but net income, than he should receive. I repeat: this $3 billion net loss means a decrease of seven times that amount, or at least $20 billion less in purchasing

power throughout the economic bloodstream of our Nation. Mr. Chairman, we have been pennywise and pound foolish in begrudging agriculture the 90 percent of parity price supports to which it is entitled not only for its own good but for the good of the entire Nation. In the single instance I have pointed out to you, we penalized the farmer because he produced 5 percent too many eggs for the 160 million human beings in this Nation of ours. Suppose the farmers formed a union and arbitrarily cut the production of eggs and poultry by 15 percent. The consumers of the Nation would then be fortunate if they could purchase a dozen eggs for less than $1. Is it not better to recognize that the farmer is entitled to a fair price for the food he produces and thus protect the consumer from exorbitant prices because of scarcity? That fair price should be 100 percent of parity, which in itself is an ever-changing factor, as cost of production changes.

I wish some of those who worry about our surplus foods and the fact that we have some $7 billion invested in farm commodities at this time would visit some of the Near East nations as my subcommittee did and see the results of insufficient food supplies. If you saw the 450,000 Arabian refugees along the border of Israel, as we did, and the little children who have lived in these camps for the 7 or 8 years of their lives with only half enough food, or if you had gone into Pakistan with us and had seen the millions of half-starved refugees that were thrown out of India, you would realize, as we did, what a blessed country America is and how vital it is to the rest of the world that we continue our high rate of food production. These other nations have a real problem. We should share our surplus with them. Those who consider surplus food a curse should take time out to count their blessings. If this great Nation of ours ever comes to the point where it cannot produce sufficient food for our people, then we will be in real trouble.

Our subcommittee could not, of course, go along with the Department's sharp curtailment of the so-called action programs. The Department came to us with a budget providing for reductions in the action programs, including plant and animal disease and pest control, Soil Conservation Service operations, flood prevention, inspection of fresh fruits, vegetables, poultry and eggs, and the school-lunch program. Our subcommittee restored the proposed reductions in these important programs which relate directly to our three greatest assets, children, soil, and water, since we believe firmly that expansion rather than reduction can be readily justified.

Our subcommittee restored the proposed reduction in funds for the Soil Conservation Service and provided an increase for technical service to staff the 58 new soil-conservation districts to be established during the coming year. We felt it was more intelligent to attempt to prevent the results of the drought and dust storms and other hazards which face the farmer than to let them occur and then endeavor to meet them. Work on the Andersen-Hope watershed-protection program has not proceeded according to schedule. Our subcommittee also concluded that the work on the 11 old authorized watersheds should certainly not require 25 years for completion. We would like to see an earlier date set, and it is very apparent that the expansion of this type of conservation work to other areas of the country is not proceeding rapidly enough to meet the real need and demand. We, therefore, provided sufficient funds to restore the reduction in flood-prevention funds and increased the allocation for the work on this and the watershed-protection program.

The reductions proposed in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry, and eggs were restored.

The subcommittee provided a total of $37 million, or an increase of $1,178,000 over appropriations for 1955, for the Department's research programs and insists that the work be done on worthwhile projects. Of this amount, $200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. If, temporarily, we are producing too much food in this great Nation of ours, why not take the most practical course and remove 35 million acres of farmland from cultivation? Why produce wheat, corn, and cotton and other crops in surplus? Why not attack the problem at its roots and keep sufficient land out of production to prevent these surpluses? Early in January I introduced H. R. 2370, which so provides and was glad to note recently that Mr. Schumann, president of the Farm Bureau, agrees largely with my proposal. The Izaak Walton League has gone further and announced that they advocate taking 60 million acres of marginal land out of production. Let us, as I proposed several years ago, take 35 million acres of farmland out of production and turn it into a soil fertility bank. Let us retire this much land from production and pay lease rentals averaging about $12 per acre to farmers who cooperate. This will cut down the surpluses and help maintain parity prices for what we do produce. It would do much toward solving the price-support problem.

Particular mention was also made in our subcommittee's report regarding the recent deemphasis on home economics research. Testimony we took from persons engaged in home-demonstration work with farm families indicated that some part of the funds provided for the Home Economics Bureau should be used on such projects as household food consumption and family budgets and expenditures.

Seventeen million seven hundred and fifty thousand dollars was allotted for plant and animal disease and pest control. This represents an increase of $496,000 above the budget estimates, including a supplemental of $500,000 to meet a grasshopper emergency in the West. With these restored funds, the Department will have sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. Some Federal participation in these programs will, of course, always be necessary to assure free and unhampered interstate shipment of agricultural products.

The Meat Inspection Service was allotted the full budget estimate of $14,325,000 which will permit continuation of the program at the same level as was authorized in 1955.

One million nine hundred thousand dollars has been allotted for research in foot and mouth disease and other contagious diseases of animals and poultry. I am a strong believer in research and in the dissemination of the results of the Department's findings and certainly hope these funds will be used to practical advantage.

There is another basic problem which I wish to discuss in the few minutes left to me. In my opinion, the Department officials and the Bureau of the Budget made a very grave error when they advanced the idea through smaller funds that the Soil Conservation Service should be subordinated to the Extension Service, and it would appear, gradually eliminated. Our subcommittee very definitely considers that these two great organizations are essential to the welfare of agriculture in America and agreed that neither one should be subordinated to the other. We have made appropriations available in this bill of $48,895,000 for Extension and $45,475,000 for payments to the States and land-grant colleges, for experimental stations, and we increased the item for soil-conservation operations by $2,916,379 above the budget request.

The Rural Electrification Administration's program, so vital to every farmer in the Nation, was allowed $160 million in loan authorizations, the full budget request, together with an additional $100 million injected by our subcommittee for a contingency fund to enable the Secretary of Agriculture to meet any large or unusual needs in any area of the country which could not be handled within the regular authorization. With an estimated carryover of $21 million and probably rescissions of $4 million, the REA will have a total of $185 million available for electrification loans during the coming year, exclusive of the contingent fund I mentioned.

The rural telephone program was given $75 million, which represents an increase of $5 million over the budget estimate and should enable the telephone program to continue at the same level as was authorized last year. There is a large backlog of loan applications on hand and our subcommittee felt it would be unwise to reduce the funds for the program below last year's level. We hope that the additional funds authorized for the rural telephone program will speed up the handling of loan applications and construction work.

We have provided $185,217,957 for reimbursements to the Commodity Credit Corporation to take care of funds advanced for special programs authorized by Congress. The very successful Pakistan wheat program was one of these for which CCC is being reimbursed.

As I said, when I opened my remarks, we have brought a good bill to the House and we have provided for the agricultural programs for America very adequately. I hope the membership will support our measure.

Mr. MARSHALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr Chairman, I am delighted to have the opportunity once more to support an appropriation for agricultural research and education. The Appropriations Committee is to be commended for including almost the full increase of about $13 million in the Department of Agriculture budget for this purpose. Some of us would have preferred to see an even larger increase. However, the committee faced the difficult task of reconciling the many demands for additional funds with the money available to the Government and in view of these circumstances, I am willing to go along with the committee bill.

Each Member of this House has, I am sure, an appreciation of the value of research, not only to agriculture but to the entire economy. Nothing illustrates the value of research more than the development of frozen orange juice by scientists of the Florida Citrus Commission and the Department of Agriculture, and this is something my friends from cities will be interested in. The consumer benefited from a new product, the producers from a vastly expanded new market for their product, and the general economy from the development of a vast new industry which pays additional revenue each year into the Treasury.

The experience in the citrus industry has been duplicated in other segments of agriculture. Hybrid corn, for instance, has meant greatly expanded production, not only in the traditional Corn Belt but in other sections of the country, as well. The farmers of Georgia, certainly not regarded as corn farmers, nevertheless are sharing in the benefits of this research achievement.

The research work the Department of Agriculture has done has also made possible a much more efficient broiler industry. This is of particular importance to Georgia, where a sizable broiler industry has developed since the end of the war. Broilers can now be produced in 10 weeks on 10 pounds of feed, whereas it formerly took 12 weeks and 12 pounds of feed. This has meant better and less expensive broilers for the consumers and more efficient operation for the poultry raisers.

In almost every phase of agriculture we find that efficiency of production is being increased, costs reduced, and better products produced—all because of continued research activities by the States and Federal Governments.

Despite brilliant achievements we cannot afford to rest upon our laurels. Much remains to be done. Many problems facing the farmers today can only be solved by providing to agriculture a research program that will be more nearly on a par with that of industry.

In speaking of research I include, as a matter of course the educational activities carried on by the extension service and the land-grant colleges. It goes without saying that we must have the means to get out to the farmer the information developed through research and instruction as to how it can be successfully applied.

I am happy to note that the appropriation for these educational activities have also been increased.

Mr. Chairman, even more encouraging to me than the increased appropriation carried in the bill we are considering today is a growing awareness of the value of research and education. Farm groups throughout the country are active in their support of this program.

The part which research can play in solving for the long-range many of the most vexing problems facing agriculture makes it imperative that the Congress keep this program operating at maximum efficiency and that it be expanded in an orderly, systematic manner. To do otherwise would be to break faith with our farmers. We would be denying to the farmers the assistance they need in maintaining a sound and stable agricultural economy.

In conclusion, Mr. Chairman, I wish to voice once more my support of a sound agricultural research and education program and to express to the appropriations committee my appreciation for the increase provided for these activities in fiscal 1956.

Mr. MARSHALL. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman the subcommittee on agricultural appropriations functioned in an uneasy atmosphere this year. This was caused by the cost-price squeeze on our farms, by concern over the continued decline in farm income, and by a sense of futility that those in charge of things would do as they intend to do anyhow, regardless of how the majority in Congress feels about it. I am sorry to say, Mr. Chairman, that there exists a strong feeling of distrust of the philosophy that is guiding the agricultural affairs of this administration, and a lack of confidence in many of the people who are running them.

As a consequence, the subcommittee this year was required to put in long hours, to dig deeply for the facts, and to sift the facts from the propaganda. The work has been tedious at times. But the load has been lightened, and the work made more pleasant by the good feeling which has existed among the members of the committee. While we have had our honest differences, there has never been a question in the minds of any of us that our colleagues are equally interested in working out constructive solutions to the many-sided and difficult farm problem.

The Members' attitude in approaching this issue has not been the provincial one of looking to the interests of the farmer alone, but that of taking the broad view which relates farm welfare to the consumer, and to the general good. The committee members are quite aware of the fact that agriculture is passing through a temporary period in which abundance of some things represents surplus, but we know it is facing a future of greater demand upon the land and upon the farmer. One does not have to look too far down the corridor of time to see surpluses becoming shortages and this is a fact which we must keep ever in mind in our stewardship of resources.

It has been most pleasant to work with my colleagues on the other side of the aisle. My good friend and neighbor from Minnesota [Mr. H. CARL ANDERSEN], the distinguished gentleman from Washington, WALTER HORAN; and the distinguished gentleman from Illinois [Mr. VURSELL]. The work of our distinguished chairman from Mississippi, JAMIE WHITTEN, is well known. Two new distinguished Members for the majority, the gentleman from Kentucky [Mr. NATCHER] and the gentleman from North Carolina [Mr. DEANE] have both made important contributions to the work of the committee. You will note, Mr. Chairman, that our committee is broad-based, giving representation to all parts of the country. I can say from the experience of working with the Members that they also have given representation to all types of views that were presented to the committee, and have arrived at their conclusions from the point of view of the whole people, and the needs of all.

Mr. Chairman, if the time permitted, it would be well to have an accounting of the last 2 years in agriculture, during the regime of President Eisenhower's Secretary of Agriculture, Mr. Ezra Taft Benson. Secretary Benson is beginning his third year of tenure; his third year of stewardship over affairs involving the bread and butter, the health and education, the success and happiness, or lack of it, of the 21 million persons on farms. The men and women on farms, Mr. Chairman, are well aware of this situation. They have taken an accounting, and many of them are looking to the next 2 years with concern, as they have looked back on the last 2 with regret. This committee regrets that so little has been gained by so much spent.

The record shows that the Congress has been generous with the Department of Agriculture. It has given Mr. Benson most of the things he requested. To name just a few, he was given power to reorganize the Department of Agriculture as no other Secretary has had. He was granted the request to name two additional Assistant Secretaries, giving him more assistance at the top. The Congress has been generous with funds for operation of the Department. Secretary Benson was given more in the last session of the 83d Congress than the Bureau of the Budget authorized. The Secretary is getting generous treatment in this bill.

The bill being brought to the floor today for the operations of the Department during the coming fiscal year has been gone over carefully by the committee. While it is being brought to the floor below the budget request, it gives to the Secretary of Agriculture everything that he has asked for and more. In short Mr. Chairman, it has been the policy of the committee, not only this year but the year before, to give Secretary Benson authority, opportunity, and the power to act.

To put it mildly, I have been disappointed at the treatment given my farmer friends and neighbors during the last 2 years, and I view with some concern what appears to be in prospect for them during the next 2. Sometimes the little things, like the squirrels, are more meaningful than the bigger ones. It is remarkable, for example, how few times the farmer has been mentioned during testimony of officials of the Department of Agriculture. At the same time, a great deal of attention has been paid to the handler, the processor, and the middleman. Everybody knows that the processor and the handler perform necessary and proper functions. This merely reflects an attitude of mind that to me is significent. If the farmer and the consumer are not forgotten, they are to say the least, no longer sitting at the head table in the Department of Agriculture. I am wondering if the taxpayer is not sitting at second table, too, Mr. Chairman?

Running through the record of our hearings this year is evidence of improvidence, of neglect, of carelessness, of inefficiency, of waste, of little accomplishment, and in many cases of practices of a questionable character. This, I believe, is the product of a state of mind which too often, it seems to me, puts business, and business profits, ahead of everything else.

Mr. Chairman, this committee has been accused by the Secretary of Agriculture of playing politics. Let me ask you how many times you have heard the honorable Secretary speak of the need for reducing taxes, of the need for balancing the budget, of the need for practicing economy in the administration of governmental affairs. The purpose of reducing price supports was to achieve economy. The purpose of changing the administration of the county and community committee system of the agricultural stabilization program was to achieve economy. I could go on without number citing the occasions on which the high officials of the Department of Agriculture have cited the need for economy as the reason for doing this, or doing that.

Mr. Chairman, if we keep on getting the kind of economy from the Department of Agriculture that we have been getting in the last 2 years, the farm programs of this country will be wrecked, and the Treasury will be bankrupt.

Mr. Chairman, Henry Wallace was a cheapskate compared with our present Secretary of Agriculture when it comes to passing out the taxpayer's money. Let me give you a set of figures provided by the Department of Agriculture itself at my request and to be found on pages 1294 and 1295 of part 3 of our hearings. I am referring to a table showing the realized gains and losses of Commodity Credit Corporation from the very beginning in 1933 to the present date, and providing estimates for the entire fiscal year ending next June 30. Here are the facts:

Total losses of the Commodity Credit Corporation from its beginning in 1933 to June 30, 1953, were $1,049,994,726. These losses are exclusive of the wartime consumer subsidies which had nothing to do with the cost of farm programs. Total losses of the Commodity Credit Corporation for the same items for the 2 years ending on June 30, 1955, are estimated by the Department of Agriculture as $1,448,405,610. Actual losses last year were $588,333,333.33. Estimated losses for the present fiscal year are $860 million. The total losses reported for these 2 year alone exceed by approximately $400 million total losses for the 20 previous years.

In other words, Mr. Chairman, the losses of Commodity Credit Corporation in a mere 2 years have exceeded by approximately $400 million all the losses of all the Secretaries of Agriculture in the preceding 20 years. I think it is fair to ask, Mr. Chairman, is such extravagance the result of incompetence and poor judgment, or is it deliberate and premeditated to make the previous programs look bad? A lot of people are wondering.

At no time within my memory have we spent so much and gained so little, Mr. Chairman. Spending on such a scale—nearly a billion and a half dollars in 2 years—could be justified if it helped the farmer and the consumer. Has it aided either the farmer or the consumer?

Since 1952, farm income has declined $1.6 billion, or a little more than Secretary Benson spent on CCC operations. In the last year, farm income came down 10 percent for the year as a whole, but the decline from the last quarter of 1953 to the last quarter of 1954 is even greater—nearly 15 percent. Has farm income stopped going down? The March 25 report of the Agricultural Marketing Service of USDA says:

> Farmers received approximately $4.5 billion from marketing in the first 2 months of 1955—down 5 percent from a year ago. Prices averaged 5 percent lower.

No, the farmer is not doing so well.

Has the consumer been aided?

The House Agriculture Committee has just reported that housewives paid the highest prices on record for some foods last year, in spite of the lower prices to farmers. Here are some examples reported by the committee: Last year grocery store prices were 13 percent higher than during 1947–49, while farm prices were 7 percent lower. Cereal and bakery products were up 22 percent, while the price of food grains to the farmer was down 9 percent. The housewife paid 6 percent more for dairy products at retail, while the farmer got 8 percent less. It cost 12 percent more to put fruits and vegetables on the table, while the producers of these crops were receiving 4 percent less. No, the consumer is not making any profit out of the farm distress, either.

I am afraid the truth is, Mr. Chairman, that the Secretary and his business associates have been so anxious to turn back the clock, that the programs of the last 20 years that could be changed, have been changed. The programs that could not be assaulted frontally have been subjected to sneak attack.

The excellent and respected soil-conservation service has been subjected to threat and harassment by task forces from within and without. The system of elective county and community committeemen to administer action programs locally has been shattered and shell-shocked. The REA cooperatives and the rural-electric power program that has meant so much to farmers is threatened with virtual bankruptcy by proposals of the Hoover Commission which would require higher interest rates and financing through private lending agencies. A director of the Federal Crop Insurance Corporation is associated with a group of private insurance stock companies planning to introduce all-risk crop insurance in some 40 low-risk area counties next year.

It is my feeling, Mr. Chairman, that the price-support program has been subverted in the name of economy that does not exist. The various aids for agriculture have been castigated at the bar of public opinion like a common streetwalker. In the meanwhile, big oil, big power, and big business generally have slipped around to the backdoor of this administration to make off with the big giveaways.

For the Department to say that all this spending is due to previous farm programs is a little too much, Mr. Chairman. We know that these programs have not been perfect. We know that there are real problems in agriculture to be dealt with. We do not expect miracles from the Department of Agriculture, but we do expect good judgment and commonsense.

Our chairman, JAMIE WHITTEN, has very ably pointed out how the Department has failed to exercise its authority to move surplus commodities into the export markets. I would like to direct your attention to some of the domestic policies and practices.

For 2 years Department officials have known that something would have to be done eventually with the acres that had to be diverted from surplus crops. Yet very little actually has been accomplished. It is obvious that the proper thing to do with such acres is to divert them to the extent possible to grass and legume crops and other conservation uses. Yet, the Department has gone sharpshooting for the soil-conservation service program, and it has hacked up the agricultural-conservation program to the point where it is not serving the useful purpose it could serve.

The State agricultural colleges, for example, have been recommending annual use of agricultural limestone in this country of a little over 80 million tons as the amount needed year by year for good conservation use. Never have we even approached this tonnage in a year. Peak use of limestone was in 1947, when approximately 30 million tons—or nearly two-fifths of annual need—were put out on farms, due largely to the agricultural conservation program. In 1953 the use of limestone on farms had dropped to 20.6 million tons, or only about a fourth of annual need. Some officials estimate that for 1954 the use of lime will come down to between 17½ and 18 million tons, or only a little more than one-fifth of annual needs. The significant point is not only that our annual use of lime is growing more and more deficient each year, but that both commercial sales and

sales made through aid of the agricultural conservation program have come down steadily and are still declining.

It would make a great deal more sense, Mr. Chairman, to store fertility in the soil than to produce commodities for storage in Commodity Credit Corporation bins and warehouses during this period when surpluses are a temporary problem. I would be remiss if I did not call the attention of Congress to the fact that my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I have offered legislation to correct this situation, but the Department has shown little interest in the question.

Let me direct your attention to a few of the items that are brought out in our hearings on the Department budget this year. You have heard officials say much about the need for moving surpluses out of warehouses and into stomachs. Yet we find the Department making poor use of the facilities it has at hand to do just that. You well remember how egg prices last fall declined to lows comparable with those during the depression years of the thirties. You well remember how many of the States requested the use of poultry and egg products in the school-lunch program. Some of you may recall that in the spring of last year some officials of the Department were saying it might be necessary to support the price of eggs. However, by fall the Department had changed its mind, and the promises of spring fell as dry leaves in the autumn.

Mr. Chairman, you have heard much said by officials of the Department about the high cost of storage for these so-called surplus grains. It is true that the cost of storage has gone up. In fact, the cost of Commodity Credit Corporation of storing a bushel of grain has almost doubled. These are CCC's own figures, supplied on page 1302 of part 3 of our hearings. In 1951 CCC had in round figures an average inventory of 296 million bushels. During that year it received 107 million bushels of grain and loaded out 19½ million bushels. The cost of storage on a bushel of grain in that year was put at 6.6 cents a bushel. Last year CCC had in inventory 321 million bushels of grain. It received 196 million bushels and loaded out 55 million bushels. But the average cost of storing a bushel of grain had gone up from 6.6 cents a bushel to 11.3 cents a bushel—almost double.

Now some of the officials in the Department say that the reason for this nearly doubling in storage cost is due to the increased volume. But the higher cost cannot be explained this easily, Mr. Chairman. There is not enough difference in the volume handled during the 2 years I have mentioned to account for a near doubling on the cost of storing a bushel of grain. The real reason for the higher cost, I am advised, is not the increase in volume, but the fact that the method of handling the grain has been changed. In 1951, practically all the grain in CCC bins was handled by and under the supervision of the county committemen in the locality where it was stored. Since then, the order has gone out from the Department of Agriculture to have the stored grain handled commercially, and this is the real reason for the increased cost.

At another point in our hearings the Department submitted figures—page 1306 of part 3—showing that the county committee expenses have increased from $35,987,443 in 1952, to $68,963,364 in 1954. This is almost double the expense of 2 years ago. It covers all programs exclusive of CCC grain storage structures. Department officials say the reason for this huge increase in county expenses is due to the larger number of acreage allotment and marketing quota programs. It does not appear to me, Mr. Chairman, that the Secretary is getting the economy he claimed for the new system which makes the county committee advisory rather than administrative. Higher costs could be condoned if this brought about improved administration. But this is not the case. In many instances, the change has brought about only frustration and confusion in the minds of county and community committeemen. It has led to less administrative responsibility, and has resulted in a lack of respect for the farm programs being administered locally.

The change has shown that the problem of finding office managers qualified to meet the complex day-to-day problems faced in a county ASC office has been extremely difficult and too often unsuccessful. In many cases that have come to my attention, the information and instructions going out to the counties from Washington have been confusing and contradictory, resulting in inefficiences in the local offices.

Mr. Chairman, I would like to remind the Members of Congress that when the Secretary of Agriculture appeared before our committee on Wednesday, February 25, 1953, he said that—

> No problem that we have inherited has been more difficult than the decision on the support price for butter. We have consulted long and earnestly with the trade, with the congressional advisers, and with farmers.

Since that time, of course, the price support for dairy products has been lowered, and the Secretary now feels that the dairy situation is on the way to improvement. Well, those of us in the dairy country hope he is right. The Secretary's program for dairy farmers has been an extremely costly one for the dairy farmer. In the first year of operation of Secretary Benson's program, cash receipts from the sale of dairy products have declined by $254 million. From January 1, 1954, to January 1, 1955, the inventory value of cows and heifers kept for milk on our dairy farms has gone down by another $353 million.

This is a pretty stiff rap for the dairy farmers to have to take, Mr. Chairman. But it appears that some of the feed manufacturers in the country made a pretty good thing out of the sale of dry skim milk stocks by the Commodity Credit Corporation. Last year CCC sold close to 575 million pounds of dried milk as feed. The price, of course, had to be much lower than the usual price as feed. In fact, it got the whey people into trouble, and the Department had to get up a whey price support program to protect whey manufacturers who also were selling their product for feed. It is interesting to note, Mr. Chairman, that one feed company alone purchased a little more than 80 million pounds, or nearly one-seventh of the total, of this excellent feed, at bargain rates.

Mr. Chairman, the Department of Agriculture has been studying the farm situation ever since Secretary Benson came into office, and so far as I know it is still studying the situation. I hope the Department eventually will come up with some sound and constructive answers and solutions. In the meantime, your subcommittee on agricultural appropriations has made some recommendations which it hopes the Department will take to heart.

One is that the Department will provide a sales manager for Commodity Credit Corporation. It is the feeling of the members that a man of good judgment and common sense in such a position cannot only help to put some of our more burdensome surpluses to good use, but also can help to keep down unnecessary costs.

Another recommendation is that the Department not merely quit sniping at conservation activities, but also develop a constructive program for diversion of surplus acres to other useful purposes. A special fund of $200,000 has been earmarked for research on the effect of acreage reductions on the local and national economy.

The committee has noted with some concern the fact that the farmer's share of the consumer's food dollar has fallen to only 43 cents—a decline of 11 cents since 1945. The committee recommends that a special study be started immediately to develop information on a few of the major food crops in different parts of the country with the hope of being able to reduce the spread between the farm price and what the consumer has to pay. A special fund of $1 million has been earmarked for this purpose.

The committee also recommends that greater and more effective use be made of the school lunch and section 32 purchase programs to aid in stabilizing prices of products temporarily flooding markets, and to help in improving the diets of our school children. These programs have not been used to the extent they could be, or to the extent for which the Congress intended them to be used.

The tendency of this administration has been to knock out working programs before adequate replacements were provided. In too many cases we have seen the Department knock down the scaffold before it finished the building.

It is believed that the adoption by the Department of the committee's recommendations will not only help in the handling of surpluses and the reduction in costs, but also will be of positive assistance to farmers and consumers alike.

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

Mr. MARSHALL. I will be very glad to yield to the charming, distinguished gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. I thank the gentleman. The lady has been sitting here since early today to get an answer to a question in reference to this bill. I understand from the one gentleman who

very kindly explained the bill that there are $375,000 allotted for fruit, poultry, and egg inspection and grading program. This may seem like an anticlimax to the arguments that have been had today, but I would like to know what proportion of that amount goes for the inspection and grading of eggs and poultry.

Mr. H. CARL ANDERSEN. We restored $320,000, of which $220,000 is for fresh fruits and vegetables and $100,000 to take care of chickens and poultry.

Mrs. CHURCH. The same as last year?

Mr. H. CARL ANDERSEN. That is right. I regret that I did not yield to the gentlewoman earlier.

Mrs. CHURCH. I thank the gentleman.

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

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

Mr. HAGEN. I would like to ask the gentleman's indulgence to ask a very brief question. On page 18 of the report, in relation to the Marketing and Research Service, the statement is made:

> The funds include an increase of $200,000 for market news services. The committee has allowed the full budget increase of $125,000 to initiate this work in seven new locations.

Were those locations recommended by the Department in their budget?

Mr. MARSHALL. That is correct. In addition to that, we recommended that $75,000 be expended to set up services in those areas where people had appeared before the committee in making a request. We did not earmark those and we did not say specifically to the Department: "You must" because there is such a thing as a contribution of funds on the part of the local people. We have asked them to review this.

Mr. HAGEN. Does that $75,000 cover all of the requests of those appearing before your committee?

Mr. MARSHALL. They cover all of the requests of people who appeared before our committee. They do not cover all of the requests that have been made to the Department.

Mr. HAGEN. But all the requests that were made of your committee by witnesses?

Mr. MARSHALL. That is correct.

Mr. HAGEN. Now, one more question with reference to the school-lunch program. This $15,236,000 plus which you added, that is in this fund which the Federal Government uses to make purchases for distribution of supplementary commodities to the various schools?

Mr. MARSHALL. That is the fund known as section 6 funds, the school-lunch program, and it restores that to the same level that it was last year. In addition to that, the Department of Agriculture has section 32 funds that they may use for the purchase of commodities. The committee very strongly feels that the Department should make more use than they have in the past of section 32 funds to purchase commodities to distribute to the schools.

Mr. HAGEN. Do I understand correctly that none of the section 6 funds, the $15 million plus, were used directly by the Federal Government for purchase on its own account?

Mr. MARSHALL. The Federal Government uses these funds to purchase commodities to provide a balanced diet to the school children where local demand and local contributions are made.

Mr. HAGEN. I thank the gentleman.

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

Mr. MARSHALL. I yield to the gentleman from Virginia.

Mr. JENNINGS. I want to first compliment this subcommittee on the very fine piece of work that has been accomplished on this bill, especially as it pertains to the soil conservation program. I think that is one of the essentials. It is one of the things that I have received more correspondence on from my people concerned, and I am glad to see that you restored that amount to the appropriation. I am also glad to see that you kept this soil conservation part separate, because I think it can stand on its own bottom. It has done a fine job.

Mr. MARSHALL. This committee is very much interested in it. It not only restored the fund but provided a modest increase.

Mr. JENNINGS. To provide for the personnel to carry it out.

Some of the questions I wanted to ask were covered by my colleague, the gentleman from California [Mr. HAGEN], especially as they pertain to the school-lunch program. I want to commend the committee for that as well as the other provisions in this bill.

Mr. MARSHALL. I thank the gentleman from Virginia.

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

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

Mr. GAVIN. Not that I am too well informed on this cotton situation, however the proposal of my very good and able friend the gentleman from Mississippi [Mr. WHITTEN] is not quite clear to me. As I understand it, he proposes that a certain cotton tonnage will be offered to foreign buyers, less than the American market, and that a smaller amount would be offered to the textile operators on the same price basis as that offered to the foreign buyers. Is that right?

Mr. MARSHALL. I would say this to the gentleman, We have insisted in our committee that we do dispose of Commodity Credit Corporation stocks at a competitive price in the world market in the manner already set out in the CCC charter. In addition to that, the distinguished chairman of our committee informed the House this afternoon that he has been interested in legislation which is not now on the statute books that would provide that some consideration could be given to the textile manufacturers. That is something that I am not familiar with. It is something that would require additional legislation, and I do not feel that I would be able to discuss the virtues of that. That would be something that would need to come up to the House from the legislative Committee on Agriculture. It is beyond the authority of the Committee on Appropriations.

Mr. GAVIN. Would the gentleman express an opinion that if we sold this cotton to the foreign buyers at a price below the American market, with the low-paid labor in all these various countries and the possibility of the reciprocal trade treaties being adjusted, that that might let the bars down and that we might put the textile producers of the United States out of business completely?

Mr. MARSHALL. I would like to say, however, to the distinguished gentleman from Pennsylvania—and I think he entirely agrees with me—that it is a poor policy that establishes an umbrella over world markets, that provides for markets in the world taking over markets which formerly belonged to the American producers. I think he agrees with me to that extent.

Mr. GAVIN. I just want to say that I commend my very good and able friend. My feelings toward him are mutual.

Mr. MARSHALL. I thank the gentleman. I should like to say this to the committee, that we have had some discussion this afternoon concerning the report and some implication was made that this report was written by the distinguished chairman of our subcommittee. I should like to say to the members of this committee that I was given ample opportunity to read the report. It happened on some occasions when I made a visit to the committee room I saw Members of the minority reading the report. I feel there was ample opportunity given for members of this committee to read the report.

I should like to say also that I have served on other subcommittees in this House, but I have never served on any subcommittee where more latitude was given for the witnesses appearing before the committee than was given to the witnesses appearing before this subcommittee. They were given the opportunity of correcting their remarks. This committee wanted facts. We are not interested in just a lot of theory, and so on. We wanted to give the Department of Agriculture every opportunity to supply the facts for the record. Our distinguished chairman was very fair toward all the members of this committee. I have served on committees where I thought the chairmen were extremely fair, but I have never served on any committee where the chairman was more fair than our distinguished colleague from Mississippi [Mr. WHITTEN].

The pleasure of serving on this committee is one that can hardly be expressed in words. All the members of the committee were diligent in performing their duties. They attended the sessions which were long and tedious. We were all interested in the welfare of the American farmer.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to my colleague from Minnesota who is the senior member of our State delegation and one for whom I have a high regard.

Mr. AUGUST H. ANDRESEN. I have very high regard for the gentleman. I know the gentleman wants to be fair. He said that Secretary of Agriculture

Wallace, when he served, was a cheapskate as compared to the present Secretary of Agriculture, Mr. Benson. I know the gentleman has taken the figures for 20 years to show the losses in the Commodity Credit Corporation. I know that while he does not mention it, he will admit that the Commodity Credit Corporation was reimbursed for between $5 billion and $10 billion in Commodity Credit surpluses which were shipped over and given away to other countries. We got rid of those surpluses, but the American taxpayer paid for them during the war period and during the operation of the Marshall plan. Now that is not figured as a loss, but the taxpayers paid the bill. Would not the gentleman concede that that ought to be included as part of his remarks to be strictly fair about it?

Mr. MARSHALL. I am glad the gentleman from Minnesota reminded me of that because, as he knows, it is my intention to be fair. I do want to say that the commodities which were distributed under these other programs were not charged to the losses of the Commodity Credit Corporation. These are figures we received from the Department of Agriculture. However, I do also wish to state that the same type of program is now continuing so I do not think any reference you have to those losses and gains, as compared with those of the last 2 years, really has much relevance.

Mr. AUGUST H. ANDRESEN. During the 20 years to which the gentleman has referred, of course, we had two wars. It is often said that food will win a war. I do not believe that is said about peace, but it ought to win a peace, so that I think we have to take all of these things into consideration as to how we got rid of the surpluses; otherwise the Commodity Credit Corporation would have been broke long ago.

Mr. MARSHALL. I am glad the gentleman raised that point because there has been a certain amount of talk going around the country that at no other time has there been a surplus. There have been surpluses many times. I am sure the gentleman agrees with me that we have a far happier country because we do have some surplus than would be the case if we had some shortages. I would like also to call the attention of the gentleman to another thing which I was going to discuss, but I do not think time will permit. While we are talking in terms of losses of the Commodity Credit Corporation, that does not take into account the losses that have been taken by the farmers, particularly the dairy farmers and their loss of income, together with the loss in inventory of their dairy herds, which runs up, as the gentleman knows, to quite a high figure.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman on that, but I want to bring up this other point because we have had these two wars to help get rid of these surpluses. Then we had the Marshall plan where we gave away $6 billion or $7 billion of cotton, wheat, tobacco, and a good many other farm commodities. I know the gentleman agrees with me that we should consider our surplus as a blessing rather than a curse. I have been dealing with the problems of surplus farm commodities ever since I came to the Congress, which is some years ago, when we had the old McNary-Haugen bill, and when we were advocating the two-price system, which I understand, from talk around here today, that there are people who want to put that into operation. I think that is still a good system.

Mr. MARSHALL. Whether that will be put into operation or not, as the gentleman knows, would be a matter for the legislative committee and not a matter within the jurisdiction of the Committee on Appropriations.

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

Mr. MARSHALL. I yield.

Mr. WHITTEN. The law setting up the Commodity Credit Corporation provides that at the present time. It is the failure to use that authority of the Corporation which keeps you from using it.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk will read.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, namely:

Mr. WHITTEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to points of order and amendments.

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

There was no objection.

The CHAIRMAN. Are there any points of order to be raised?

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

Presuming that we have reached line 14 on page 3, or line 15 on page 4, I would like to ask the gentleman from Mississippi [Mr. WHITTEN] or the gentleman from Minnesota [Mr. H. CARL ANDERSEN] if they would be kind enough to refer to page 11 of the report and then, on behalf of the California delegation, for which I speak today—those who come from rural areas—to answer this question about the research money. I know that just as soon as this report is on the wires there will be inquiries made regarding the alleged cut in the research money. As I read this, my interpretation is that there has been no cut in the research appropriation as compared to appropriations for previous years. There has been a slight reduction in the increase asked for next year.

Mr. WHITTEN. That is correct. We tried to point out what we thought were relatively minor types of work they were doing, and for that reason we did not go along with the full amount of the increase.

Mr. PHILLIPS. May I ask the gentleman if he has any estimate of what money is left over from the preceding year, or will any be carried over into the 1956 appropriation?

Mr. WHITTEN. It is my understanding that these funds do not carry over. However, I would like to point out that we granted an increase of $1,700,000 in the research money. Last year was considerably higher than the year before.

Mr. PHILLIPS. However, the next line says, which will cause confusion:

A reduction of $684,000.

Mr. WHITTEN. That is below the budget, but it still leaves this increase of approximately a million dollars.

Mr. PHILLIPS. The gentleman understands I am getting some statements on the record for the purpose of answering questions.

The next question is, we have had allowances, for example, for the Mediterranean fruitfly which once threatened Florida, and for the Mexican fruitfly which has infested areas along the Mexican and California border, and we were threatened a couple of years ago with the oriental fruitfly. Does the gentleman feel there is money enough in this items to carry on the necessary research which has shown such excellent results in controlling these pests?

Mr. WHITTEN. I certainly do; in fact, in view of the increase we have made there are means whereby the research could be strengthened.

Mr. PHILLIPS. And in the northern part of the State there has been some excellent research done in the matter of insecticides and their effect when sprayed upon fruit and perishable commodities. Can the gentleman give us assurance that it is contemplated that that type of research shall be carried on and that money has been provided for it?

Mr. WHITTEN. Certainly that is true, and it applies to other sections of the country where these outbreaks are much cheaper to handle at the outset rather than waiting for them to spread over wide areas.

Mr. PHILLIPS. I thank the gentleman and yield back the balance of my time, if any.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the chairman of the committee if ample provision has been made for research work on the bean. I understand they are now able to make fibers from the bean, fibers that can be used in the manufacture of textiles. That inquiry came to me only today.

Mr. WHITTEN. We did not have a specific item of that sort submitted to us. We have tried to avoid pinpointing the use of every dollar in the bill. But I am sure the gentlewoman can see that with $37 million in this item and authority in the department to make a shift of funds, and in the bureau itself to make a shift of as much as 7 percent there are ample funds with which to undertake any of these worthwhile research programs without specific direction from the committee.

Mrs. ROGERS of Massachusetts. I hope so, but I am sure the gentleman remembers the frustration that was experienced in many of these control programs in the past.

Mr. WHITTEN. We believe this is the better way to handle this matter of research; otherwise, we would have to

specify some $40,000 or $50,000 for each individual item, and that we are hardly prepared to do.

Mrs. ROGERS of Massachusetts. I thank the gentleman and congratulate the committee.

The CHAIRMAN. Are there any amendments?

Mr. WHITTEN. Mr. Chairman, I have one corrective amendment. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 14, line 12, change the figure "1955" to "1956."

Mr. WHITTEN. That is to correct a clerical error.

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, the great economic and social progress we have made as a nation is in direct relation to what we have done in this country to expand our production and increase distribution. Through these efforts more and more goods have steadily become available to more and more people. Through this process, we have greatly expanded employment opportunities for our people and sharply increased both their income and buying power. All of this is directly reflected in the high standard of living that prevails throughout this land and of which we are all so justly proud.

In large part, the improvement in living conditions which has so steadily taken place in this country stems from the fact that our people have long had the incentives needed to encourage the exercise of individual initiative. Our people have the willingness to work and the desire to bring about improvements. These attributes and the advanced techniques that have been developed in production are among the basic reasons for the striking gains we have made as a nation.

The productive resources of our agriculture have contributed heavily to our national progress. The capacity of our farms to produce has risen to an unprecedented level. The very fact that our agriculture is so highly productive provides our Nation with a firm foundation for continued growth and development.

Looking ahead to the future, one of our basic needs is to improve the balance in our agriculture so as to make the most effective use of our productive resources and at the same time meet all of our requirements for farm products. We need to promote desirable shifts in production, both from the standpoint of improved nutrition and pattern of land use. In all of this, we need to make sure that agriculture continues to make its full contribution to the Nation's healthy growth and development.

Last year Congress took definite action to help facilitate the adjustment that our agriculture needs to make to cope with the sharp changes in demand that have come about since the end of the war. One important step was to provide a system of flexible price supports which will enable farmers to keep their operations adjusted to the requirements of our expanding economy. This move will also help minimize the need for production and marketing controls which have had to be imposed by virtue of mandatory high rigid price supports. Although this is the first year that flexible price supports will go into effect under the legislation enacted by the last Congress, it is already becoming evident that this is the best course we can take to achieve and maintain a balanced and fully productive agriculture.

Experience in recent years has amply demonstrated that rigid high price supports lead to the accumulation of unwanted surpluses which necessitate forced restrictions and sharper and sharper cutbacks in production. To the extent that farm production is cut back and restricted, it, of course, tends to reduce farm operations. This in turn tends to undermine national prosperity on which profitable farm markets depend.

High rigid 90-percent price supports have continued in effect over the last few years despite the drastic changes that have taken place in the war and immediate postwar demand picture. The conditions created by this have made it necessary for the farmers of our country to cut back their highest profit crops by some 35 to 40 million acres. These reductions were made in some of the most fertile and productive farming areas. The effect of this curtailment is already being felt in many communities. From an overall standpoint, it tends to slow down the expansion of our total economy.

When agricultural production is restricted and cut back as has been necessitated by the high rigid price supports, all those who sell to or serve farmers, transact less business. This affects sales of farm machinery, fertilizers, chemicals, automobiles, and all other supplies and services required when farms are in full production. The decline in sales to farmers brings on a reduction in the amount of employment in both business and industry. This is in addition to the great loss of jobs that result directly from cutting production back on the farms and is reflected in less work in producing, harvesting, processing, transporting, selling, and storing agricultural products. The result of all this is a vicious spiral of declining incomes and buying power in virtually every segment of our economy.

The importance of increasing and maintaining farm production at a high level, cannot be overemphasized if we are to maintain full employment at good wages. For farmers to get more profits there must be increasing production—and increasing consumption. This cannot be achieved by restrictions and production cutbacks which in reality mean scarcity. Agriculture must produce—and produce in large volume if it is to be most profitable and also provide the means for farmers to buy the goods and services which our towns and cities have to offer.

There is an interdependence between agriculture and business and industry which is too easy to overlook. Full agricultural production helps maintain full employment of labor in productive enterprises. In turn, when workers have good incomes, it helps insure strong markets for the farm products desired by consumers.

Our farm people represent close to a 30-billion-dollar market for nonfarm goods and services of all kinds. In terms of raw materials alone, our farmers are customers for 7 million tons of finished steel, 50 million tons of chemical materials, 17½ billion gallons of crude petroleum, 300 million pounds of raw rubber, and 22 billion kilowatt-hours of electric power.

This huge volume of buying power exerts a tremendous leverage throughout our national economy. It is estimated that the purchases made by farmers provide nonfarm employment for from 5 to 6 million persons, or about 10 percent of total nonagricultural employment. In addition, these nonfarm workers employed because of agricultural purchases also make a market for industrial goods—and these workers, in turn, create an additional market. Altogether, it is reasonable to assume the expenditures by farmers account both directly and indirectly for about 15 percent of the total nonfarm employment.

The great contribution that agriculture is making to our way of living can be maintained and increased only by expanding production in keeping with the requirements of our growing economy. Our country did not become great by restricting production and following a policy of scarcity. By the same token, our country will not remain great under

such an approach which would ultimately place us in an economic straightjacket of inhibited production and consumption. Through the years we have learned that a dynamic economy requires both increased production and increased consumption. Ours is a dynamic economy and we must keep it so if we are to enjoy a continuing rise in our standards of living.

AMENDMENT TO CREDIT UNION ACT

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

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I have introduced today a bill to amend the Federal Credit Union Act. It is as follows:

A bill to amend the Federal Credit Union Act

Be it enacted, etc., That paragraph (7) of section 7 of the Federal Credit Union Act (12 U. S. C., sec. 1757 (7)) is hereby amended by striking out the word "or" after "(d)" and inserting before the period at the end of the paragraph the following: "; and (e) in shares of other credit unions in the total amount not exceeding 10 percent of its paid-in and unimpaired capital and surplus."

OBJECTIVES OF PROPOSED LEGISLATION

The objective of this bill is to make an amendment to the Federal Credit Union Act, as amended, as hereinafter described.

Paragraph (7) of section 7 of the Federal Credit Union Act—Twelfth United States Code, section 1757 (7)—now reads as follows:

To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Director, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) or in shares or accounts of Federal savings and loan associations, and in shares or accounts of any other institution, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

It is proposed to amend paragraph (7) of section 7 to read as follows:

To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Director, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) in shares or accounts of Federal savings and loan associations, and in shares or accounts of any other institution, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; and (e) in shares of other credit unions in the total amount not exceeding 10 percent of its paid-in and unimpaired capital and surplus.

The change in this section as indicated would permit credit unions chartered under the act to invest to a limited extent in the shares of other credit unions. It is felt that this will properly enlarge the investment area of Federal credit unions and enable them to extend their service by further employing their funds in the credit-union field. The power to make such investment will be in the hands of the directors of the Federal credit unions who may make use of it, in addition to and in consideration of the other privileges provided in the act, as they see fit.

Credit unions are doing a wonderful work. They should be encouraged. The amendment proposed is a reasonable one. It is my hope that it will be adopted by Congress at an early date and signed by the President.

CONSOLIDATED INDEX OF THE CONGRESSIONAL RECORDS FOR THE PAST 50 YEARS

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

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I have introduced House Concurrent Resolution 101 providing for the compilation of a consolidated index for the CONGRESSIONAL RECORDS since 1905, or during the past 50 years. The resolution itself discloses the reasons for its introduction. It is as follows:

House Concurrent Resolution 101

Whereas the CONGRESSIONAL RECORD constitutes a library of hundreds of books containing a vast store of material bearing upon the political, economic, and social history of the United States, and much of this material is not available elsewhere; and

Whereas the usefulness of any library of source material depends to a great extent upon whether it is so indexed as to make the material readily accessible for purposes of reference and research; and

Whereas there is at the present time no index of the CONGRESSIONAL RECORD except the indexes which have been prepared annually over the years; and

Whereas not only do the yearly indexes comprise many volumes, which makes examination and use of them a laborious and time-consuming task in many instances, but they contain many details which, although properly included when the indexes were prepared, have become, through the passage of time, relatively unimportant, and the presence of these details in the indexes serves to make more difficult the task of those seeking access to the wealth of important and significant material contained in the CONGRESSIONAL RECORD; and

Whereas, for the reasons stated above, it is highly desirable that there be prepared a consolidated index for that part of the CONGRESSIONAL RECORD containing material which is and will be of the most importance and significance in relation to our current and future national problems; and

Whereas, from this point of view, it is believed that the events of recent decades are of special importance and significance—particularly those which have occurred during the period since the beginning of the last half century, the 59th Congress, when Theodore Roosevelt was President, during which there have occurred two World Wars and other events of incalculable significance not only to the United States but to the entire world: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on Printing shall arrange for the preparation of a consolidated index of the CONGRESSIONAL RECORD to cover the proceedings and debates of the Senate and House of Representatives during the period from noon on March 4, 1905, until noon on January 3, 1957, so that such index will cover the 59th and subsequent Congresses up to and including the 84th Congress. In order that the consolidated index will have maximum usefulness for historical and educational purposes, without, however, dealing with information and materials of limited or temporary interest or importance, the Joint Committee on Printing shall establish specific criteria to govern the inclusion and exclusion of information and materials.

SPECIAL ORDER GRANTED

Mr. RADWAN asked and was given permission to address the House for 1 hour on Wednesday next, following the legislative program and any special orders heretofore entered.

TALK WILL NOT BUILD ROADS

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. McGREGOR. Mr. Speaker, when we recognize the inadequacies of our highway system for civilian defense and for increasing traffic needs, we must realize that ordinary measures and ordinary construction programs will not take care of our Nation's highway requirements. They are simply too great to be treated with the highway programs we have known in the past.

President Eisenhower recognizes this fact and fully appreciates that while this year we have approximately 48 million motor vehicles registered, within a very few years, the number will increase to sixty-five or seventy million vehicles. In recognition of these facts, President Eisenhower some months ago appointed a committee of civilians to study and report to him what might be done to initiate a highway program that will take care of both our expanding normal needs and our emergency requirements. This Commission was headed by Gen. Lucius Clay, United States Army, retired Army engineer.

After many weeks of hearings and extensive study, the Commission, known as the Clay Commission, reported their findings to the President and their report has been submitted to the Congress by President Eisenhower.

President Eisenhower, in submitting this report, was very specific that acceptance by the Congress of the report or any portion of it is in no way mandatory. It was given to us as a basis on which we might develop a new and realistic road program. The responsibility now is ours.

It is a very real responsibility, Mr. Speaker, when we recognize that in the past year we had more than 39,000 thousand traffic casualties in the Nation, and when we read the reports on highway needs submitted by our Defense Department. In connection with the latter, we may well be aware that the defense of our country could depend upon the ra-

pidity with which our defense forces could be shifted from one part of the country to another.

The Clay report has now been incorporated in 4 bills introduced in the House, 1 by Congressman BUCKLEY, majority party chairman from New York; 1 by Congressman DONDERO, ranking minority party member from Michigan; 1 by Congressman DEMPSEY, majority party member from New Mexico; and Congressman GEORGE, minority party member from Kansas. Although hearings on this legislation will not start until April 18, some opposition to the program has made its appearance.

Charges are being made that financing through a 30-year bond issue would be both inflationary and too costly. Some say a commission should not be established and others take the position that States should not be reimbursed for roads that have recently been built and financed by the State and which might be a part of the interstate system. As to whether these arguments are justified or not I do not presume to venture an opinion prior to the coming hearings and full consideration by the Public Works Committee.

Certainly no one can argue that an emergency does not exist in our Nation's highway system. In meeting this emergency, we must all remember that talk will not build roads. It will be cheaper for all of us to drive our cars, whether old or new, on good roads. However, if we want roads, good roads and a national highway pattern, we must develop a sound and coordinated program which will include the financing factors.

Let us recognize that there is an emergency and that better roads are necessary for both our personal safety and our Nation's security.

How can a better highway program be developed and financed?

THE LATE JOHN W. DAVIS

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

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

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, the Bar Association of Nassau County, N. Y., is proud to have had as a member, the late John W. Davis, one of the great men of our generation. I was honored to have had him as a constituent.

A fellow member of the association, we awarded him our distinguished service award, placing him in the illustrious company of Herbert Hoover and General Eisenhower, of whom he later became an ardent supporter for the Presidency.

The name of John W. Davis will forever be remembered as the outstanding constitutional lawyer of his time. Nor will we forget one of his last triumphs in successfully arguing before the Supreme Court, thwarting President Truman's desires in seizing the steel plants—socialism at its best.

The life of John W. Davis will be a beacon for all men who follow him in the legal profession.

DOMESTIC MINERALS PROGRAM EXTENSION ACT OF 1953

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Idaho [Mrs. PFOST] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. PFOST. Mr. Speaker, today I introduced a bill to extend the Domestic Minerals Program Extension Act of 1953, known as the Aspinall-Malone Act, for a further 5 years, or until 1963, the expiration date of such authority under the Defense Production Act on which the Aspinall-Malone Act is based. The purchase programs involved are for stimulating the domestic production of tungsten, manganese, chromite, mica, asbestos, beryllium, and columbium-tantalum bearing ores.

Most of these programs do not expire legally until 1958 but as quotas were set limiting the amounts to be purchased, some will expire before that time due to the quotas being satisfied. It is impossible to attract substantial capital into the production of these highly strategic materials unless there is a guaranty that the Government will continue purchasing, at satisfactory prices, for a reasonable length of time.

That this is a bipartisan matter is shown by the interest in such a measure by Republicans and Democrats, both in the House and the Senate.

LATIN AMERICA

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, a number of events of the past year in Latin America have made all of us more sharply aware than ever before how important to the United States are the 20 cultured republics that lie to the south. In particular, I point to the Inter-American Conference at Caracas; to the economic meeting at Rio de Janeiro; and to the swift action of the Organization of American States in the Costa Rican situation.

The unity of the 21 American Republics is one of the solid supports upon which the free-world structure is built. It is gratifying to every American—North, South, or Central—that the nations of this hemisphere have learned to live together in mutual respect and confidence and growing friendship.

We and our Latin neighbors are important to each other in many respects. In the field of trade, for example, about $3.5 billion worth of goods moves each way each year. Our export trade with Latin America is equal to that with Europe and exceeds our trade with Asia, Africa, and Oceania combined. In the matter of imports, Latin America is more important to us than Europe or any of the other continents. At the same time, we are important to the Latin Americans both for what we supply them with and for what they ship to us.

Latin American countries buy from us such items as machinery, iron and steel, chemicals, foodstuffs, vehicles, electrical and agricultural equipment, and textiles. Our exports to them make up about 1 percent of our national income and account for more than 20 percent of all our exports.

These 20 neighboring republics contribute vastly to our daily needs and satisfactions. Chief among the products they send us are coffee, sugar, copper, and petroleum. In addition, they supply us with numerous strategic materials used in defense production. We get all of our vanadium and quebracho—a hardwood important in tanning—from Latin America. Other materials in limited supply which we purchase in that area include castor oil, antimony, beryl, bismuth, lead, cadmium, tungsten, zinc, chromite, and manganese—all extremely important to the United States economy. The aggregate of our purchases amounts to about 50 percent of Latin American exports, and without the dollar exchange thus earned our neighbors to the south would be deprived of essential manufactured goods and foodstuffs—and we would have our biggest market cut in half.

Our direct, private investments in the area amount to about $6 billion and are second only to our total investment in Canada. Since World War II, our investors have put approximately $250 million annually into the region. In addition, earnings have been reinvested at the rate of $190 million a year, making the average annual rate of investment some $440 million. Together we are wisely using this capital to improve living standards for people throughout Latin America.

Our technical-aid program first blossomed from a seed planted in this region in the dark days of World War II. Today there are joint programs of technical cooperation in 19 Latin American Republics. The fruits of this program can now be seen not only in Latin America but in countries all over the world.

We have had close cultural relations with our neighbors for many years, and these ties are becoming stronger and stronger with the passage of time. To cite just one example, our educational-exchange program has increased by more than 60 percent in the past year and may grow even larger through additional funds made available from the sale of surplus agricultural commodities.

To cut down the inroads of communism into the ranks of democratic labor organizations in Latin America we have increased the visits of representative Latin Americans, including labor leaders, by more than 200 percent. We have seen an increase of from 560 to some 1,500 in the number of technicians and labor leaders who come to this country each year and study United States methods.

Our information program is reaching more people than ever before with its factual messages about the United States, its people and our way of life. The United States Information Agency has been increasingly effective in explaining to Latin America the way in which our economies interlock, the reciprocal benefits which can come from private investment and private enterprise, and the

promise of the atoms for peace program. Only recently, in Panama, Vice President Nixon called for an expansion of our library and exchange programs and cited the excellent work they have been doing in the hemisphere in creating better understanding and building friendship.

A number of countries of the area are our partners in the vital inter-American defense system. Eleven of them are participating with us in bilateral military assistance agreements designed to contribute to the collective defense of the hemisphere.

More important than any of these aspects of our relations with Latin America, however, have been our close political ties. In this respect, we in the Americas have something unique—something that no other comparable region of the world can claim. Here in this hemisphere we have proved that large and small nations—without intervention or domination by the large—can live together in peace and cooperate on the basis of friendship.

Politically, we are a closely knit group of 21 nations. Our major organ of cooperation—the Organization of American States—came into being in 1948 and was the first regional grouping set up under the United Nations Charter. The Rio Treaty, signed in 1947, was the prototype of the North Atlantic Treaty and of our security pacts in the Pacific area.

The central agency and general secretariat of the Organization of American States is the Pan American Union. This body has a history of inter-American cooperation that can be traced back to the first International Conference of American States held at Washington 1889–90.

In world affairs, we and Latin America have been close indeed. The area has always played a part in international affairs, and its countries are strong supporters of the United Nations. At present, Latin American nations make up one-third of the entire U. N. membership.

Their support of the free world through the United Nations has been consistently helpful to the United States. For the most part, Latin America and the United States have voted together.

An example of this support appeared when the Communists smashed across the 38th Parallel to attack South Korea. The 20 Latin republics immediately supported the United Nations position and placed themselves on the side of the free world. One day after the U. N. Security Council voted to go to Korea's assistance, the Council of the Organization of American States unanimously backed the United Nations' decision—an action which was in no sense required of OAS, but one which they felt would emphasize their solidarity with the free world's stand.

During the period of fighting in Korea only Colombia contributed troops, but a number of other countries offered bases and volunteers for the conflict. The United Nations, however, was unable to accept all the offers made because organized units were the chief need at the time and many Latin American countries were unprepared to train and finance organized field forces. A good number of them nevertheless made important contributions of food, money, clothing, and medical supplies to the Korean emergency relief program.

Another example of the splendid cooperation among the nations of the American hemisphere can be found in the deliberations at the Caracas Conference a year ago. At that time, you will recall, the tentacles of international communism had attached themselves to key figures in the Government of Guatemala and were steadily pulling that country toward communism. Alert to the dangers inherent in the situation, the American republics placed the question of intervention of international communism in the hemisphere on the agenda at Caracas. A United States resolution entitled "Declaration of Solidarity for the Preservation of the Political Integrity of the American States Against International Communist Intervention" won overwhelming endorsement at the conference. Only Guatemala opposed its passage. The passage was a clear-cut and unmistakable warning to the Communists to keep their hands off this hemisphere.

When the Guatemalan Government ignored the declaration and imported 2,000 tons of weapons from behind the Iron Curtain, the other nations of the hemisphere felt that further action by them was necessary and issued a call for a consultation of the American foreign ministers. Before this meeting could convene, however, the people of Guatemala rose against the leaders who were betraying them and turned them out. Today, under its new leadership, Guatemala is once more a friendly and cooperative sister republic pledged to support the unity and solidarity of the American hemisphere.

More recently we have seen a striking demonstration of how swiftly the American Republics can move to put out a fire before it becomes a holocaust. The Organization of American States stepped into the conflict in Costa Rica at its outset and immediately dispatched a five-nation investigating committee to the scene of the fighting. This prompt move helped to put an early end to the hostilities and prevented their growing into an international conflict.

When the rebel forces thrust into Costa Rica and tried to overthrow the legitimate government of that country, the machinery of the OAS went into immediate action to save lives and property and prevent the fighting from becoming more widespread. This fast and forceful action showed the world that our hemisphere has machinery capable of preventing international conflicts. The OAS action was a concrete demonstration of its ability to deter war.

The decision of the OAS to send the investigating committee, to set up pacific observation flights over the fighting zone and to request the sale of military equipment to a member under attack has set a valuable precedent. While we can all hope such action will never again be needed, the fact that it has been taken can serve as a warning for others tempted to intrigue against a fellow republic.

Although our political and cultural relations with Latin America are excellent, our economic relations with the area have not always met that standard—and it is in this field that all the American nations can profit through wise and forward-looking measures.

The nations of Latin America are relatively young in economic development, while we are a heavily developed country with a high standard of living. The Latin American Governments have as a worthy and understandable goal the improvement of living conditions for their people. We in the United States support this admirable undertaking and should do all that is practicable to help Latin America in its development. Much is being done by the peoples in the vast area from the Rio Grande to Cape Horn. The region is awake to its tremendous potentialities, and on every hand one sees signs of growth and a vigorous approach to the problems ahead. We can do much to encourage and hasten that growth. The far-seeing foreign economic program before Congress in H. R. 1 is only 1 step in this direction. Other legislation will follow and strengthen the program.

The 20 republics to the south cover an area 2½ times the size of our own country. They contain 6 percent of the world's inhabitants, or slightly more than the United States. At present, however, the area's population is growing faster than any other major region of the world. At the present rate of increase, it is estimated that by the year 2000 Latin America could have a population of 500 million—more than twice the population estimated at that time for the United States and Canada combined.

In the sense that we use the word "great" in relation to world powers, Latin America has almost all the elements necessary for greatness. Up to the present, however, it has been primarily an agriculture area, and many of the countries have been dependent on 1 or 2 products for their existence.

For example, coffee has been the mainstay of the economies of Brazil, Colombia, El Salvador, and Guatemala; in Bolivia, it has been tin; in Chile, copper and nitrates; in Cuba, sugar; petroleum in Venezuela; lead and zinc in Mexico; and meat and wool in Uruguay.

Today the countries of Latin America are driving for diversification in their economies, with emphasis on industrialization. Brazil, Mexico, Argentina, and Chile have made great strides in developing their manufacturing capacities. Other countries, particularly the smaller ones, can look forward only to moderate advances in the industrial field. Yet all of them are anxious for development and diversification and hope to become more than raw-materials sources.

Most of the area's countries are rich in natural resources—perhaps even richer than any of us dream. Even to this day vast regions are still unexplored, and all the hidden riches amount to little so long as they remain undeveloped. Poor transportation, lack of fuel, inadequate communications, great natural barriers, and tropical climates are all obstacles to development.

Our Government is doing a great deal to encourage both Latin Americans and citizens of the United States to invest

their money in sound economic development projects in this part of the world. Latin American investors, by the way, are the major source of capital in the area. Some 90 to 95 percent of Latin America's development capital is generated from local sources.

We are encouraging private investment first and foremost because that is what we believe can do the best job. One of the main reasons for that belief is found in the history of the development of our own country, where private enterprise built a mighty Nation over a span of less than two centuries.

When private capital cannot or will not do the job, or when the International Bank for Reconstruction and Development cannot supply the funds, then Government should consider taking over the task. Export-Import Bank activity has been stepped up during the latter half of 1954 so that 22 loans to 10 countries totaling over $158 million were granted throughout the hemisphere. We now have more than $1½ billion in public loans various parts of Latin America.

We need very much to stabilize our trade with the Latin American Republics. They must sell goods to us in order to live, and it is our responsibility—and will also be increasingly to our advantage—to make the market more regular and dependable.

Perhaps we do not put enough emphasis on the words "reciprocal trade" in the United States. We do not always see clearly how much of the money we disburse for imports comes back to our shores in payment for what we sell abroad. Trade is a two-way street, and when we cut down our foreign buying or erect a tariff wall to block a certain product, we are at the same time injuring the health of our export industry which supports some 4 million workers and their families.

The old proverb of not being able to have one's cake and eat it, too, is applicable today in all our trade relations with our neighbors.

We have been steadily increasing our trade with Latin America since World War I. Since 1920 our imports from the region have risen from $1.8 billion to nearly $3.5 billion annually. Our exports have increased in the same volume, until now they approximate $3.5 billion yearly. This healthy, two-way trade is extremely important to both of us, and we should both move in the direction of consistent expansion.

Happily, we in the United States are united in a determination to cooperate and work more closely with our valued neighbors in Latin America. For over 20 years Democrats and Republicans alike have supported a nonpartisan approach to United States-Latin American relations. Both great political parties can rightly lay claim to the establishment of the cordial relations existing today among the American Republics. I hope that all of us in the United States, in or out of politics, realize that to the south of us lies the greatest challenge and the greatest frontier for Americans since the settling of the West.

I am sure the United States will continue to work closely with its 20 Latin American neighbors. Together we can build an even brighter and more prosperous future for those yet unborn generations who will inherit the hemisphere.

I would not leave with you the thought that there are no differences and no problems between us. Good neighbors sometimes possess differing beliefs and are subjected to different problems.

From time to time in the past the outsider risking his capital in some areas of Latin America has been the victim either of confiscatory taxes or expropriation. By this time, however, there is good reason to believe that financial excesses of that sort are largely relics of the past. All of our neighbors know that venture capital cannot be consistently attracted to any country in which the cry of "Yankee imperialism" is raised every time an investment begins to show substantial returns. Investors have also found that it will be to their advantage in the long run if they accept reasonable profits and reinvest a portion of them in the country that produced them.

We, on our part, must use the same ingenuity and good judgment in helping to develop this area that we did in developing our own country. The problem, however, is not the same. In what is now the continental United States we found a raw, wild country whose few inhabitants could be pushed aside for the sake of quick expansion.

To our south we find a people with a tradition and background every bit as historic as our own. We find a people whose culture is as deep-seated as ours—a people who are as proud as we are.

To them, we are foreigners. We are outsiders. And when we venture into their country, whether to visit or to do business, we must conduct ourselves as we would expect visitors to the United States to act.

The first problem we face is a better understanding of the people. That is not easy to do, because of a number of reasons. I am not an expert, but I have visited a number of the Latin American countries, and I found out a great deal about those fine people. I believe a genuine interest in them, as befits a good neighbor and a good friend, is the primary requirement.

To begin with, they want to be our friends. And, they are not trying to get something for nothing from us. They would like to do business with us, but they are not asking favors or begging.

I believe they resent the idea that whenever we think of them, some of our people think only in terms of dollars. First they want to be our friends, then they want to trade with us. It is not the other way around.

In this respect, I think it was a mistake when we changed the good neighbor policy for the good partner policy. Neighbors are friends. Partners are thought of primarily as business associates. Several Latin Americans have mentioned that to me, and I can see their point of view.

It is one thing to talk about bettering relations with our neighbors, and making friends with the countries to our south—it is another to do something about it. To translate our talk into action, I would propose that we do a few concrete things as a starter.

First. Let us begin by lowering the tariff wall that keeps us from trading as much as we should.

Second. Let us revise our tax setup so that firms who are willing to risk their capital in new ventures in those areas will not be burdened by double taxation. We have talked about that for a long time. Now, let us do it.

Third. We must work out a better credit system for the Latin American countries. Did any of you ever try to borrow money from our Export-Import Bank? Try it sometime and you will know what I mean. This is a must. European credit is available in much of the area on far better terms than the United States offers.

Fourth. We should help those countries find markets for their handicraft—and encourage them to develop new products which we can buy from them. The new cultural trade center being built in Miami is a step in this direction—an idea of what I mean—but the Federal Government should move in this direction—and at once.

Fifth. Stimulate the formation of stronger and more understanding friendships through travel. Get after the tourist business. Make it easier for us to travel there—and for Latin Americans to visit us. One important first step will be the reduction of taxes now imposed on travel to Latin America.

Sixth. Step up the student exchange program. We have hundreds of exchange students from Europe and the East—but a much smaller number from our closest neighbors.

Seventh. Call it the lucky seventh if you like. And that is the point 4 program. It has done a good job in Latin America, but it is not broad enough. Step it up.

Now, as a starter, let us get these seven points going. If we do, we will find we will have such a boom on our hands that we will not know what to do with all of the business that logically will come to us.

ALLEN WHITFIELD

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 15 minutes.

Mr. PRICE. Mr. Speaker, it is with a feeling of extreme reluctance that I take the floor this afternoon. I would not trespass upon the time of the Members of the House if I did not believe the subject I am going to discuss to be of paramount importance.

But as a member of the Joint Committee on Atomic Energy, I deem it my responsibility to call to the attention of the House certain information which has come to me about a recent nomination by the President of a new member of the Atomic Energy Commission. I refer to the nomination of Allen Whitfield of Iowa.

Mr. Speaker, let me make this clear at the outset. I do not know Mr. Whitfield personally. I do not believe I ever heard of him until the President sent his nomination to the Senate. The only question

that has been raised with me, and which I desire to raise here today is this: Is Mr. Whitfield qualified for this post? Or, to put it another way, is he competent to serve on what certainly is one of the most important Commissions, if not the most important Commission, in the executive branch of the Government?

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

Mr. PRICE. I yield to the gentleman from Indiana.

Mr. HALLECK. I just heard the gentleman say that he never heard of the man, that he did not know anything about him. Why, then, would he at this point challenge his nomination to the Atomic Energy Commission?

Mr. PRICE. I think if my distinguished friend from Indiana will be patient, the next few paragraphs will answer the question for him.

Mr. HALLECK. I certainly hope they will.

Mr. PRICE. I would not raise this question on the floor of the House if I did not have confidence in the people who have raised it with me. But inasmuch as I do have complete confidence in them, I feel it my duty to discuss Mr. Whitfield's nomination at this time.

Mr. Speaker, I am informed that Mr. Whitfield is a Des Moines attorney. He is quite prominent in Republican politics in the State of Iowa; in fact, he is a member of the State central committee. I believe he also acts as legal adviser to the committee.

I am informed further that Mr. Whitfield and another member of the Iowa State Republican Committee have been quite vociferous in their demands that their State be given more political patronage. Mr. Whitfield, I am told, made at least one trip to Washington to express his views to Republican leaders, and he doubtless has made his views about patronage known on other occasions to party officials.

Now, I do not mean to challenge the right of the Eisenhower administration to dish out such patronage plums as it has available. I likewise do not question Mr. Whitfield's right to a job with the Federal Government, if he wants it.

But I most vigorously do object to the Eisenhower administration's use of the Atomic Energy Commission as a political dumping ground for job-hungry Republicans. A post on the Atomic Energy Commission requires a man of unusual scientific or exceptional administrative ability. The Commission should not, indeed must not, be used to carry out the whims and dictates of the Republican National Committee, or any of that committee's adjuncts.

When Mr. Whitfield's nomination was first announced, the Des Moines Register contained this pertinent passage:

> There also was the privately expressed opinion of some Iowa political figures that the appointment will do much to bring peace to the Republican Party in Iowa.

Another sentence in this newspaper's account of the nomination of Mr. Whitfield says:

> Whitfield has been mentioned frequently as a potential candidate for the Republican nomination for the United States Senate next year.

Mr. Speaker, I am not at all concerned about bringing peace to the Republican party in Iowa. I am willing to leave that to the Republican politicians. And I might add that I do not particularly care whether Mr. Whitfield is a candidate for the United States Senate. That is a matter for him or for others to decide.

But I do have strong convictions about the vitally important role which the Atomic Energy Commission plays in a world that, at best, is in a state of uneasy peace. It is peace in the world that I am concerned about, not peace in the Republican party in Iowa.

I exceedingly regret that the Atomic Energy Commission is being brought more and more into the political arena by the Eisenhower administration. This is a deplorable thing, and it is something the previous Democratic administration never did.

President Truman made a number of appointments to the Atomic Energy Commission, none of them political. One of the original members of the Commission was another Iowan, a distinguished gentleman who, I believe, is also a Republican. His name is W. W. Waymack. I did not know Mr. Waymack was Republican until long after he came to Washington. A man's politics were not important in those days of the Atomic Energy Commission. The only criterion then existent was; Is the man qualified? I doubt that anyone in Iowa or anywhere else, for that matter, ever had any questions about Mr. Waymack's qualifications.

Contrast that with the appointment of Mr. Whitfield. A great number of people question this man's qualifications; not his qualifications as a politician, but his qualifications as a member of the Atomic Energy Commission.

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

Mr. PRICE. I am glad to yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman several times has referred to certain people who made representations to him, and has just now referred to certain other people who seem to question this man's capacity. Will the gentleman name some of those or any of them, outside of the Democratic National Committee?

Mr. PRICE. Of course, being a former newspaperman, I have never divulged the source of my information. But I could give the gentleman at least three newspaper clippings, and I should be glad to do that later. They are from the Des Moines Register and from other sources. Also I should be glad to furnish the gentleman later personally the names of some people who have raised these questions with me; yes, sir.

Mr. HALLECK. Will the gentleman yield further for one observation?

Mr. PRICE. I yield to the gentleman.

Mr. HALLECK. It does seem to me that to attack the qualifications of a man appointed to this Commission at this time, when the gentleman has said that he does not know him, has made no investigation of his background, is, to say the least, unusual. The gentleman has referred to certain anonymous people, and those in the newspaper clippings may be anonymous; I do not know. But I do not believe that is the way to run the Government of the United States.

Mr. PRICE. Of course, the gentleman from Indiana [Mr. HALLECK] has not listened very carefully to my statement. I have not attacked the qualifications of this gentleman.

Mr. HALLECK. Then why is the gentleman challenging his nomination? In other words, why does not the gentleman give this person a chance and let him make his showing?

Mr. PRICE. I think it has been perfectly clear that I am challenging his nomination on the basis of my concern over keeping the Atomic Energy Commission out of politics. That is my reason for challenging his nomination.

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

Mr. PRICE. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I should like to ask the distinguished gentleman from Illinois if he has any evidence other than the fact that Mr. Whitfield is a Republican and a member of the State Central Republican Committee of Iowa, that he is not qualified for this position?

Mr. PRICE. I do not know whether the gentleman is fully qualified or not.

Mr. CUNNINGHAM. Just a moment; the gentleman says "fully" qualified.

Mr. PRICE. I think if the gentleman will listen to my statement he will understand my position. I am not saying definitely he is not qualified. I think the answer I gave the gentleman from Indiana [Mr. HALLECK] properly answers the question of the gentleman from Iowa [Mr. CUNNINGHAM]. I say that this is a political appointment. I say that the Atomic Energy Commission should be free of such appointments.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield to me further?

Mr. PRICE. I am glad to yield to the gentleman.

Mr. CUNNINGHAM. I might say to the gentleman that earlier in the afternoon I had the privilege of reading a copy of the gentleman's speech and I know what is in it. As nearly as I can judge from the speech, this is a political speech attacking the President of the United States for appointing a member of the Republican Party; and not one word has the gentleman said, or even intimated, that Mr. Whitfield is not competent and qualified in every way for this position. I should like to know what else there is in the gentleman's statement to disprove that.

Mr. PRICE. I should like to call the attention of the gentleman to the fact that if there are any politics in my speech it is the result of this appointment, because I consider this appointment to be a political appointment to the most important commission in the country. If the gentleman will permit me to finish my statement, I shall give him further evidence that it is a political appointment.

Mr. CUNNINGHAM. Please go ahead; I am waiting for it.

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

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. BOYLE. I think the confusion here results from the fact that clear thinking depends upon the ability to recognize distinctions in things that might be confused or confounded. I think it is highly unfair for the gentleman from Indiana [Mr. HALLECK] to indict my colleague from Illinois [Mr. PRICE] who admitted when he started that he did not have any empirical knowledge of the individual in question. But the fact that a man does not have any knowledge arrived at by his own personal experience does not rule out the fact, a fortiori, that there is not a lot of proof of probitive weight and character that might operate against this individual being nominated to a highly important post of this character.

Mr. PRICE. I thank the gentleman from Illinois for his assistance in this matter, but I may say to those who have questioned me that my statement will stand on its own feet. But I would like to know if they can point at anything that I have said in this statement so far that is not absolutely correct.

Mr. CUNNINGHAM. I understood the gentleman from Illinois to say awhile ago in answer to the gentleman from Indiana that the Des Moines Register carried statements that would indicate that Mr. Whitfield is not competent.

Mr. PRICE. No; I did not say that.

Mr. CUNNINGHAM. I am glad to hear the gentleman retract that statement. I so understood him.

Mr. PRICE. I quoted the Des Moines Register from a news article. I quoted the statement verbatim, but it was not in answer to the gentleman from Indiana.

Mr. CUNNINGHAM. Did I understand the gentleman to say there was anything in the Des Moines Register indicative of the fact that Mr. Whitfield is not qualified?

Mr. PRICE. I made no such statement.

Mr. CUNNINGHAM. I am glad to hear the gentleman say that, because I think I have read every article about this appointment in the Des Moines Register, and certainly there have been nothing but words of commendation for Mr. Whitfield.

Mr. PRICE. The reference I made to the Des Moines Register was a quotation here.

Mr. CUNNINGHAM. You do not have it all, have you? You took out certain words from the article? You did not take all the article?

Mr. PRICE. Of course not. There is nothing in this statement that I am making here that anyone in this House can say is not correct. I think it will stand on its own feet.

Mr. CUNNINGHAM. Would the gentleman say that any member of the Democratic Party, say for instance a former President of the United States, would, because he was active in the political work or workings of that party in his home State before he became President, be disqualified for the office?

Mr. PRICE. I would say, in my opinion, that it would be an unwise appointment to the Atomic Energy Commission if it were a reward for party political service.

Mr. CUNNINGHAM. Would the gentleman say, then, it was unwise of the Democratic Party to nominate Mr. Stevenson in 1952 in Chicago on the Democratic ticket because he had been Governor of the State?

Mr. PRICE. He was not being selected for the Atomic Energy Commission.

Mr. CUNNINGHAM. No, I would not say that, but are you always going to get people for these appointments who have never had any affiliation with a political party?

Mr. PRICE. There are only five members of the Atomic Energy Commission. If any administration is so bankrupt it cannot find five men who are not active party officials to serve on this Commission, it is in bad shape.

Mr. CUNNINGHAM. Apparently the Democratic administration under Mr. Truman was bankrupt when they picked Mr. Waymack, a Republican, and did not know he was one.

Mr. PRICE. I am glad the gentleman brought out that point. I have served on the Atomic Energy Committee from its inception. Never in my experience have we ever thought of the politics of a member of that Commission. I did not know Mr. Waymack's political following until after he had left the Commission. Politics was not thought of.

Mr. CUNNINGHAM. Does the gentleman have any evidence that the President of the United States had politics in mind when he appointed Mr. Whitfield?

Mr. PRICE. No, not the President of the United States, but I think those who recommended him to the President of the United States may have.

Mr. HALLECK. Mr. Speaker, will the gentleman yield for one further question?

Mr. PRICE. I would like to complete my statement, then I would be glad to yield.

Mr. Speaker, the first serious breach of the no-politics rule in the AEC was in negotiating the Dixon-Yates contract. That contract, whether you think it was good, bad, or indifferent, certainly had the effect of getting the AEC so badly involved in politics that it will be a long time recovering.

Now comes the nomination of Mr. Whitfield. The controversy that is certain to develop over this latest thrusting of the Atomic Energy Commission into the field of partisan politics will, I fear, cause more embarrassment to everybody concerned. It will be particularly embarrassing to the Atomic Energy Commission, wherein politics have no place.

Mr. Speaker, if it is the desire of the Eisenhower administration to restore to the Atomic Energy Commission the prestige it enjoyed prior to negotiation of the Dixon-Yates contract, this is a poor beginning. For service on the AEC we need men qualified in the fields of science and industry—not in the field of partisan politics.

You will recall that President Eisenhower's advisers recently put the President in the uncomfortable position of having to do an about-face after he had overruled the Civil Aeronautics Board in an airline route case. The administration is still apologizing for that mistake.

Even though the President acted under pressure to take corrective action in that case, I thought he deserved a measure of commendation. I hope that in the best interests of the Atomic Energy Commission; yes, and in the best interests of the American people, the President will take prompt corrective action in this case also.

The SPEAKER pro tempore (Mr. CARNAHAN). The time of the gentleman from Illinois has expired.

Mr. CUNNINGHAM. Mr. Speaker, with the permission of the gentleman who has the special order to follow, I ask unanimous consent that the gentleman from Illinois may proceed for 5 additional minutes.

The SPEAKER pro tempore. The gentleman from Texas [Mr. PATMAN] has a special order at this time. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. PRICE] is recognized for 5 additional minutes.

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

Mr. PRICE. I am glad to yield to the gentleman from Indiana.

Mr. HALLECK. I started in politics, if that is what we want to call it, as a young man better than 30 years ago. I have been in political campaigns and I have been in party work, and, of course, I have been in politics or I would not be a Member of the House of Representatives. I must say it was with deep regret that I heard the gentleman say words which I think indict all of us who have been engaged in political efforts and to question our integrity or our right to have a place on the Atomic Energy Commission. Personally, I do not feel that way about people who have been engaged in party activities. I think the gentleman, if I may say so, has given another evidence of a frantic, desperate sort of operation to find some political issue and has been led into saying a lot of things that he certainly cannot mean because I do not believe there is a Member of the House of Representatives who would not be competent, to be trusted to be on the Atomic Energy Commission, even though he may, at some time or other, have been engaged in political activity. Certainly, political activity is not something for which any of us should be condemned. If we were to rule out the appointment to the Atomic Energy Commission of anyone with a political background, this would preclude service by such a person as the Honorable W. STERLING COLE, who has served with distinction as chairman of the Joint Committee on Atomic Energy.

Mr. PRICE. I agree with almost everything the gentleman from Indiana has said, but he goes beyond the question involved here. Thirty years ago we did not have an Atomic Energy Commission. I question no one's integrity. The man Whitfield may be the most capable man in the world in many ways. I am not raising the question of his qualifications here. That is something to be decided by another body at another time.

I am raising the point that the Atomic Energy Commission should be entirely above suspicion in the field of politics, but in this case it cannot be because this man Whitfield made a trip to Washington with another member of the Republican State Central Committee and held meetings with political leaders. I do not know how high he went—I have no idea, but the sole purpose of his trip to Washington was to plead for patronage in the higher positions for the party followers in the State of Iowa. These are the things that I do not like about this appointment.

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

Mr. PRICE. I yield.

Mr. HOEVEN. Would the gentleman care to disclose where he got all this detailed information about Mr. Whitfield on this trip to Washington?

Mr. PRICE. The gentleman is a very good friend of mine and I hate to pull this right out of my pocket on him and say I just happened to have it with me, but I do happen to have a photostatic copy of a news item from a Des Moines newspaper. I will be glad to read just part of it to you.

Mr. HOEVEN. Why does not the gentleman insert the article in the RECORD so that we may all read it?

Mr. PRICE. I would be very glad to do so. I did not want to go that far, to tell you the truth, but I will be glad to.

Mr. Speaker, I ask unanimous consent to insert this article with my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(The article is as follows:)

WOULD NAME MORE IOWANS TO UNITED STATES POSTS—GOP WILL PROTEST IN WASHINGTON

(By George Mills)

Two Iowa Republican spokesmen are going to Washington, D. C., this week to see if more Federal jobs can be obtained for Iowans.

The spokesmen are Don Pierson, of Humboldt, Sixth District member of the State central committee, and Allen Whitfield, of Des Moines, Fifth District member. One report says they are leaving today, another Wednesday.

They reportedly are taking with them a list of names of Iowans who want jobs and who are faithful Republicans.

MATTER OF CONCERN

Republican Party members are becoming increasingly restless over the patronage situation in Iowa. Said one party official:

"It has become a matter of concern on the part of some leaders that top-echelon appointments are not coming this way. What they are thinking of are ambassadorships, consul generals, subcabinet appointments, and the like."

Iowans have been named to some important posts in the Republican national administration. For example, Albert J. Robertson, of Des Moines, is Assistant Postmaster General, Craig R. Sheaffer, of Fort Madison, is Assistant Secretary of Commerce, Whitney Gillilland, of Glenwood, is an assistant to Secretary of Agriculture Ezra Benson, and Mrs. Hiram Houghton, of Red Oak, is Assistant Director of Mutual Security.

Some Iowans in Washington are of the opinion that this State has gotten its share of top Federal jobs to date. But many Republicans here in Iowa are of the opposite opinion. They point to Nebraska and other midwestern States as having been more successful patronagewise.

HOME STATE

Nebraska is the home State of Attorney General Herbert Brownell, and of Val Peterson, who heads the Federal Civil Defense setup. There is some thinking here in Iowa that Nebraska has obtained a good many appointments through influence of Brownell and Peterson.

Exactly what list Pierson and Whitfield are taking to Washington has not been disclosed.

Several months ago, the Republican State Headquarters compiled a list of all Iowans who had made application for Federal appointments. The names were sent to each of the party's district committeemen for information and approval.

One big problem is that a major part of Federal jobs call for persons who are technically qualified.

Merely having been a doorbell ringer for the Republicans in one's home county isn't enough for a foreign-trade job in the Department of Commerce, for example.

OUT OF POWER

The Republicans were out of power nationally from 1933 until last January. They naturally hoped to get in on lots of Federal jobs left vacant by the retreating Democrats.

The trouble, the retreat has been by no means as general this time as was the case during the past changes of administrations.

For example, the Democrats took over in 1933 with a vengeance when Franklin Roosevelt defeated Herbert Hoover for the presidency. Iowa got a lot of recognition then.

The situation has changed materially in the last 20 years, however. For example, civil service has expanded considerably. This has frozen lots of Democrats into jobs which they would have lost under the old system.

Time was when to the victors belonged several hundred postmasterships in Iowa. These jobs all were placed under civil service during the Democratic national administration, technically at least.

But the Democratic Senators still have had somewhat restrictive powers of appointment. As a result, very few Republicans ever got the good jobs.

Some longing Republican eyes are being cast at those postmasterships now.

There has been some Republican griping at a few of the Iowa appointments that have been made. For example, some Republicans have questioned whether Robertson's party record was such as to deserve a major appointment.

Others have observed, however, that it was better to have such an appointment come to an Iowan, no matter how remote his party activity, than to have it go elsewhere.

President Eisenhower carried Iowa by more than 350,000 votes over Adlai Stevenson in 1952. This State went Democratic in 1932 and 1936, was Republican in the 1940 and 1944 elections and was Democratic in the 1948 national election. Before 1932, Iowa had been safely Republican since prior to the Civil War.

Mr. PRICE. Since the gentleman has requested me to insert the article in the RECORD, I would like to read it.

Mr. HOEVEN. I was just trying to save time. I do not object to that.

Mr. PRICE. I would like to read just part of it:

Two Iowa Republican spokesmen are going to Washington, D. C., this week to see if more Federal jobs can be obtained for Iowans.

The spokesmen are Don Pierson, of Humboldt, sixth district member of the State central committee, and Allen Whitfield, of Des Moines, fifth district member. One report says they are leaving today, another Wednesday.

There was some secrecy surrounding the trip because possibly other party members did not know whether Whitfield and Pierson were seeking jobs for themselves or for other constituents. That probably accounts for the secrecy involved. The article reads further as follows:

They are reportedly taking with them a list of names of Iowans who want jobs and who are faithful Republicans.

Republican Party members are becoming increasingly restless over the patronage situation in Iowa. Said one party official:

"It has become a matter of concern on the part of some leaders that top-echelon appointments are not coming this way. What they are thinking of are ambassadorships, consul generals, sub-Cabinet appointments and the like."

In this case, they went as high as they could.

The article reads further:

Iowans have been named to some important posts in the Republican national administration. For example—

And then it goes on to mention how well some Iowans have done and I congratulate them. I would have no objection if Mr. Whitfield had been selected for an ambassadorship. I certainly would not be here this afternoon if any other Iowan, who had not expressed his concern over partisanship to the point of pressuring the administration for patronage, had been selected as a member of the Atomic Energy Commission.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

AMENDMENTS TO BE OFFERED TO BILL PROVIDING PENALTIES IN ANTITRUST CASES

The SPEAKER pro tempore (Mr. CARNAHAN). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts and statements.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, the bill to increase criminal penalties under the Sherman Antitrust Act, H. R. 3659, is scheduled to come up tomorrow, March 29.

The bill proposes to raise the fine under Sherman Act violations from not exceeding $5,000 to not exceeding $50,000. The fine may still be a small one as imposed heretofore, and no jail penalty imposed even for third and fourth time offenders.

FIRST AMENDMENT

It is my purpose to introduce an amendment to this bill. I am inserting three amendments. It is my plan to offer the first one as follows:

Proposed amendment to H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act: Strike lines 8 and 9

and substitute therefor the following: "in each case the language, 'fine, if a corporation, of not less than 5 percent and not more than 10 percent of the amount of such corporation's total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine or not less than $5,000 nor more than $50,000 for the first offense, and by a fine of not less than $7,500 nor more than $75,000 and imprisonment of not less than 30 days or more than 1 year for a second or third offense, and by court injunction against further activity in directing, managing, or advising any organization or business engaged in or affiliated with any one engaged in interstate commerce as punishment for fourth offense.' "

SECOND AMENDMENT

If this amendment is defeated, I expect to offer the following amendment:

Proposed amendment to H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act: Strike lines 8 and 9 and substitute therefor the following: "in each case the language, 'fine, if a corporation, not exceeding 10 percent of the amount of such corporations total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine not exceeding $50,000 for the first or second offense, and by a fine not exceeding $75,000 and imprisonment of not less than 30 days nor more than 1 year for a third or fourth offense, and by court injunction against further activity in directing, managing or advising any organization or business engaged in, or affiliated with anyone engaged in interstate commerce as punishment for a fourth offense.' "

THIRD AMENDMENT

If this amendment is defeated, I expect to offer the following amendment:

Proposed amendment to H. R. 3659, a bill to increase criminal penalties under the Sherman Antitrust Act: Strike lines 8 and 9 and substitute therefor the following: "in each case the language, 'fine, if a corporation, not exceeding 5 percent of the amount of such corporation's total assets as of the date on which the charge of violation is filed; and if a natural person, by a fine not exceeding $50,000 for the first or second offense, and by a fine not exceeding $50,000 and imprisonment of not less than 30 days nor more than 1 year for a third or fourth offense, and by court injunction against further activity in directing, managing or advising any organization or business engaged in, or affiliated with anyone engaged in, interstate commerce as punishment for a fourth offense.' "

It occurs to me that penalties should be used to deter the big man as well as the little man. A fine of $50,000 will amount to 5 percent of the assets of a million-dollar corporation and is sufficient to deter the owner of a million-dollar corporation, but such a fine is not sufficient to deter the billionaire corporations. If it is right to impose a 5 percent fine on the little man, why is it not right to allow a fine of 5 percent to be imposed on the big man or the big corporation?

The bill as proposed by the Judiciary Committee is a fine step in the right direction, and although small-business men should have penalties facing them for violations of the antitrust laws that they fear and will deter them, at the same time, penalties should be provided that the big man or the big corporations will also fear and likewise will deter them from violating the antitrust laws.

ATTORNEY GENERAL'S NATIONAL COMMITTEE TO STUDY ANTITRUST LAWS

Now that the Attorney General's National Committee to Study the Antitrust Laws has completed its report, there can no longer be any question as to what it may or may not recommend. I hope, therefore, that an appropriate committee of Congress will move promptly to investigate this so-called committee and expose fully the techniques which are being used to pressure Congress into emasculating the antitrust laws.

To anyone familiar with the composition of the Attorney General's committee, its purpose should have been obvious from the outset. This is a grand assembly of big corporation lawyers who are four-time loosers in antitrust prosecutions, with a few college professors and other citizens sprinkled in for decoration. But of course there are some people who are always willing to believe that the leopard may change his spots. If there was ever any hope, however, that these lawyers were taking time out from their high-priced law practice to come down to Washington and draw up recommendations to strengthen the antitrust laws, that hope has now been erased. We have already seen enough about this committee's report in leaks to the press and in the advanced news releases that have been handed out to have a fair judgment of its quality.

The cochairman and guiding light of this committee is an ex-law professor turned big business propagandist. In the summer of 1952 he published a long article which laid down the blueprints for the report which was to be written, and for the committee which was to be selected to write it. He called for a "Committee on Revision of National Antitrust Policy, organized and financed as a private body." There has been little deviation from these blueprints, either as to the organization of the committee or its report. The principal differences are that the name chosen for the committee is not precisely what Professor Oppenheim suggested, and published excerpts of the report are written in a smoother and cleverer way than the professor's article. It should be obvious that when and if the time comes for a wholesale rewriting of the antitrust laws it will be the job of Congress to make its own study and analysis, not that of private pressure group working behind White House sanctions.

FEEBLE STEPS

The antitrust legislation of the last 40 years has taken at least feeble steps toward putting big business under a rule of law, just as other segments of our society live under a rule of law. There are now a few things which business firms are forbidden to do, just as there are many things which we as individuals are forbidden to do. For example, business firms are forbidden to combine and conspire to fix prices, to divide markets, and to carry on boycotts. Similarly, the business firm is forbidden, under circumstances where its competitors or its competing customers would be substantially injured, to make discriminations in its prices beyond the amounts that are justified by differences in its costs of doing business with its different customers. This latter rule is made effective moreover, by rules which prohibit the business firm from doing the same thing indirectly, by such things as paying for the advertising of some customers and not that of other customers, or by paying brokerage fees to customers.

RULE OF REASON WRECKED LAW

The central purpose of the Attorney General's committee is to do away with all rule of law in the realm of antitrust, and to substitute in its place a "rule of reason." The committee's idea is thus not very original, and it is silly in view of the disastrous experience the country has had by actual experience with this idea. The Supreme Court of 1911 read the "rule of reason" into the Sherman Act, in the Standard Oil and American Tobacco cases, and left this law a wreckage which has been only gradually repaired as subsequent decisions of the Court have slowly weeded the idea out again.

The idea of the "rule of reason" is twofold. First, it is to give the lawyers a chance to persuade the courts that no matter what the law says, the monopolistic practices their clients are engaged in are only reasonable or serve some good purpose, and may therefore be excused. Second, it is to allow the lawyers to continue their cases in the courts indefinitely, while the monopolistic practices go unrestrained. Professor Oppenheim has stated his objections to having anything definitely illegal under the antitrust laws, as follows:

This at once forecloses a respondent from introducing evidence on the panoply of possible legal and economic justifications in harmony with an overriding public interest of which the antitrust laws may properly take cognizance.

BETTER TO REPEAL LAW

The antitrust prosecutions of big corporations are already taking 10 to 20 years, where the evidence taken and the arguments heard are supposedly limited to the relevent issues. Under the Committee's recommended "rule of reason," these suits could go on for a hundred years, while the conditions which the suit is intended to correct go untouched. On the whole it would be better to repeal the antitrust laws outright, with no pretense about it, than to fix them up so that the law firms specializing in this business could never lose a case, but would be perpetually getting a big fee for trying one. At least our courts would not be more snowed under than they are now, and the lawyers' fees would not be added to the prices consumers have to pay for the things they buy. I do not think, however, that there will be any wholesale rewriting of the antitrust laws, and certainly not in a manner which would erase the slate clean of the court orders which have been issued over the years to restrain the monopolistic practices of many of the big corporations represented on the Attorney General's Committee.

I intend to strip the Attorney General's committee of the pretense that its recommendations are really intended to strengthen the antitrust laws and give

the public better protection against monopoly.

WHY NOT MAKE FINE APPLY TO BIG BUSINESS SAME AS SMALL BUSINESS?

I shall begin with the pious recommendation that the maximum fine for violating the Sherman Act be raised from $5,000 to $10,000 or perhaps to $50,000. This is merely a recommendation for making the Sherman Act effective against small business, as it is now effective against very small business. A fine of $50,000 would be 20 percent of the assets of a small corporation with a quarter of a million dollars of assets. But a $50,000 fine would mean nothing to the multi-billion-dollar corporations, and almost nothing to the multi-million-dollar corporations. It would be less than many of these corporations pay a master of ceremonies for one TV broadcast. When these big corporations violate the antitrust laws they usually get by with continued violations for 10 to 20 years before the Department of Justice even files suit, and they make hundreds of millions of dollars from these violations. It is absurd, therefore, to recommend a fine for violating the law which would not even begin to take away the profits from the violation.

At the proper time I expect to introduce a bill for making the fine for violating the Sherman Act not less than 10 percent of the corporation's assets. Then I will be glad to announce publicly which members of the Attorney General's committee come forward and recommend passage of this bill.

Beyond this, however, I hope that there will be a full congressional investigation into all of the activities of the Attorney General's committee. Such an investigation is appropriate if for no other reason than that money which Congress appropriated for enforcing the antitrust laws has been used instead for this superlobby to pressure Congress into emasculating the antitrust laws. Moreover, if the public is to gain an understanding of the new high-pressure techniques which are being used by big business to put across its programs, Congress could do no better than to begin by exposing the workings of this committee.

When the Attorney General announced the formation of his Committee, he wrote to me on August 25, 1953, saying:

> We are also aware that the success of the studies of the National Committee largely depends upon the cooperation of both Houses of Congress. We are, therefore, planning to maintain constant liaison with bipartisan representatives of the House and the Senate committees concerned with antitrust matters.

There was also an elaborate chart attached to this letter showing how liaison was to be maintained with the House Small Business Committee, as well as with the Interstate and Foreign Commerce Committee and the Judiciary Committee.

But until today, I have seen no signs of liaison with Congress, bipartisan, constant, or otherwise. But I have seen many signs of an extraordinary liaison with the press and all the machinery for making public opinion. During the last year and a half there have been a great number of canned editorials in the trade journals and newspapers which have lauded the purposes of the Attorney General's Committee.

Finally, after the Committee's report was leaked to the Wall Street Journal about 3 weeks ago, and excerpts began appearing in that publication, I wrote to the Attorney General asking for a copy for advance study by the Small Business Committee of the House, subject to the limitation that it would not be released to the public prior to its official release. The answer I received to this request was that the copy from which the press was quoting was an intermediate draft of the report, and that the House Small Business Committee would receive a copy only when the final report is ready. This afternoon Judge Barnes handed me a copy of the report which is to be released on Thursday, for which I am grateful to him.

I will not now discuss any details as to the content of the report, since I am under obligation not to do so until it is officially released, but I expect at a later time to take up some of these details.

Now we must witness a 4-day press party during which the Attorney General and his helpers ladle out explanations of the final report, although there has been no time for any congressional study of it. It looks like an effort to go over the heads of Congress and appeal to the people to pressure Congress before the report actually reaches Congress. The promised liaison which was to be maintained thus appears to have been about 98 percent liaison through the pipelines of propaganda.

A few high-minded individuals on the Attorney General's Committee have made vigorous dissents to the majority's proposals. But for the most part, this Committee represents a community of big-business people who are obsessed with the idea that they have at last learned how to sell. As these people have been able to turn the expert public relations and advertising organizations which were developed for selling commercial products, more and more successfully to selling political ideas and candidates, they appear to have come to think that they can now sell anything. I shall be surprised, however, if they succeed in selling the American people on a program for eliminating the antitrust laws.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. FOGARTY and to include newspaper articles.

Mr. WINSTEAD and to include extraneous matter.

Mr. O'HARA of Illinois.

Mr. MACHROWICZ and to include extraneous matter.

Mr. KLUCZYNSKI (at the request of Mr. MACHROWITZ).

Mr. CELLER in two instances and to include extraneous matter.

Mr. ASPINALL.

Mr. BYRD in two instances and to include extraneous matter.

Mr. PRICE and to include extraneous matter.

Mr. ROOSEVELT and to include an editorial.

Mr. SCUDDER and to include a resolution.

Mr. HOSMER in two instances and to include extraneous matter.

Mr. MAILLIARD.

Mr. MADDEN.

Mr. HOFFMAN of Michigan in two instances.

Mrs. ROGERS of Massachusetts on Greek Independence Day.

Mr. WOLVERTON (at the request of Mr. MARTIN) in two instances and to include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. HILL and to include an address by Earl L. Butz, Assistant Secretary of Agriculture, in Denver, Colo., on March 7, 1955, entitled "New Frontiers for the West," which is estimated by the Public Printer to cost $180.

Mr. LESINSKI (at the request of Mr. PRICE).

Mr. BOYLE in three instances.

Mr. RODINO (at the request of Mr. McCORMACK).

Mr. HOLTZMAN (at the request of Mr. McCORMACK).

Mr. BURDICK.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 691. An act to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of Plancor No. 877 at Baytown, Tex., and certain tank cars.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 67. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 21 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 29, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

600. A letter from the Secretary of the Army, transmitting the annual report of the United States Soldiers' Home for the fiscal year 1954, together with a photostatic copy of the report of annual inspection, 1954, of the home by the Inspector General of the Army, pursuant to the act of Congress approved March 3, 1883; to the Committee on Armed Services.

601. A letter from the Assistant Secretary of State, relative to a message from the President of the Taiwan Provisional Provincial Assembly expressing admiration and appreciation for the steps recently taken by the President and the Congress of the United States in connection with the ratification of the Mutual Defense Treaty between the United States and the Republic of China and the enactment of Public Law 4; to the Committee on Foreign Affairs.

602. A letter from the Acting Archivist of the United States, relative to records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

603. A letter from the secretary, National Trust for Historic Preservation, transmitting a report on behalf of the National Trust for Historic Preservation for the calendar year 1954, pursuant to Public Law 408, 81st Congress; to the Committee on Interior and Insular Affairs.

604. A letter from the executive secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1954, pursuant to section 8 of Public Law 358, 75th Congress; to the Committee on the Judiciary.

605. A letter from the Director, Administrative Office of the United States Courts, transmitting the annual report of the Director of the Administrative Office of the United States Courts for the fiscal year 1954, pursuant to section 604 (a) (4) of title 28 of the United States Code; to the Committee on the Judiciary.

606. A letter from the Acting Postmaster General, transmitting the United States Post Office Department Cost-Ascertaining Report for the fiscal year 1954; to the Committee on Post Office and Civil Service.

607. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 14, 1955, submitting a report, together with accompanying papers and illustrations, on a preliminary examination of waterway from St. Mary De Galvez Bay, across Santa Rosa Peninsula, to Sound Bay, Fla., authorized by the River and Harbor Act, approved on July 24, 1946; to the Committee on Public Works.

608. A letter from the Secretary of Commerce, transmitting a report on the cost of construction needed to modernize the Nation's highways, prepared by the Commissioner of Public Roads in cooperation with the several State highway departments, and a statement on highway financing, pursuant to section 13 of the Federal-Aid Highway Act of 1954, approved May 6, 1954 (H. Doc. No. 120); to the Committee on Public Works and ordered to be printed with illustrations.

609. A letter from the Attorney General, transmitting the annual report of the activities of the Department of Justice for the fiscal year ended June 30, 1954; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 24, 1955, the following bill was reported on March 25, 1955:

Mr. WHITTEN: Committee on Appropriations. H. R. 5239, a bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 303). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of March 24, 1955, the following bill was reported on March 26, 1955:

Mr. THOMAS: Committee on Appropriations. H. R. 5240, a bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 304). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 28, 1955*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOPER: Committee of conference. H. R. 4259. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a $20 credit against the individual income tax for each personal exemption (Rept. No. 305). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 230. A bill to amend the act of July 31, 1947 (61 Stat. 681); with amendment (Rept. No. 306). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H. R. 973. A bill for the relief of Mrs. Elizabeth Dowds; without amendment (Rept. No. 307). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 977. A bill for the relief of Mrs. Ellen Hillier; without amendment (Rept. No. 308). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 24, 1955, the following bill was introduced on March 25, 1955:

By Mr. WHITTEN:

H. R. 5239. A bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

Under clause 4 of rule XXII, pursuant to the order of the House of March 24, 1955, the following bill was introduced on March 26, 1955:

By Mr. THOMAS:

H. R. 5240. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1956, and for other purposes; to the Committee on Appropriations.

[*Introduced and referred March 28, 1955*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Louisiana:

H. R. 5241. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. ALBERT:

H. R. 5242. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. BALDWIN:

H. R. 5243. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to persons retired prior to April 1, 1948; to the Committee on Post Office and Civil Service.

By Mr. BELCHER:

H. R. 5244. A bill relating to income-tax treatment where taxpayer recovers a substantial amount held by another under claim of right; to the Committee on Ways and Means.

By Mr. BENTLEY:

H. R. 5245. A bill to amend the National Labor Relations Act so as to provide for elections by secret ballot among striking employees, and to invalidate contracts or agreements to commit unfair labor practices; to the Committee on Education and Labor.

By Mr. BOW:

H. R. 5246. A bill to provide domiciliary care, medical and hospital treatment, and outpatient care for veterans of the Indian Wars; to the Committee on Veterans' Affairs.

By Mr. FJARE:

H. R. 5247. A bill to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; to the Committee on Appropriations.

H. R. 5248. A bill to grant minerals, including oil and gas on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOGARTY:

H. R. 5249. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954; to the Committee on Ways and Means.

By Mr. GROSS:

H. R. 5250. A bill to prohibit the importation of pork and other agricultural commodities and products from the Soviet Union, Poland, and other Communist-dominated countries; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 5251. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Alabama:

H. R. 5252. A bill to provide for the holding of a term of court for the northeastern division of the northern district of Alabama at Decatur; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 5253. A bill for the relief of the State of California; to the Committee on the Judiciary.

By Mr. McCORMACK (by request):

H. R. 5254. A bill to amend title II of the Social Security Act to provide for the payment of child's insurance benefits to certain individuals who are over the age of 18 but who are incapable of self-support by reason of physical or mental disability; to the Committee on Ways and Means.

By Mr. MERROW:

H. R. 5255. A bill to authorize the coinage of 50-cent pieces to commemorate the construction of the New Hampshire Marine

Memorial as the first memorial in the United States in honor of men and women who lost their lives at sea in all wars, which is to be erected at Hampton Beach, N. H.; to the Committee on Banking and Currency.

By Mr. O'HARA of Minnesota:

H. R. 5256. A bill to provide for the redemption of certain unused stamps; to the Committee on Merchant Marine and Fisheries.

H. R. 5257. A bill to amend the act entitled "An act to fix a reasonable definition and standard of identity of certain dry-milk solids" (21 U. S. C., sec. 321c); to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. R. 5258. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

H. R. 5259. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Interior and Insular Affairs.

By Mr. PATTERSON:

H. R. 5260. A bill making an appropriation for the operation of an emergency hurricane warning system by the Weather Bureau; to the Committee on Appropriations.

By Mrs. PFOST:

H. R. 5261. A bill to amend the Domestic Minerals Program Extension Act of 1953 in order to strengthen national defense and to further extend the program to encourage the discovery, development, and production of certain domestic minerals; to the Committee on Interior and Insular Affairs.

By Mr. POFF:

H. R. 5262. A bill to amend the Federal Civil Defense Act of 1950 to authorize the disposal of certain Federal surplus property to State and local units of the United States Civil Defense Corps; to the Committee on Armed Services.

By Mr. PRIEST:

H. R. 5263. A bill to authorize an additional Assistant Secretary in the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of Illinois:

H. R. 5264. A bill to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 5265. A bill to exempt certain additional foreign travel from the tax on the transportation of persons; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H. R. 5266. A bill to discontinue the Postal Savings System established by the act of June 25, 1910 (36 Stat. 814), as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SCHWENGEL:

H. R. 5267. A bill to exempt farm equipment repair parts from the excise tax levied on automobile parts; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 5268. A bill to amend section 303 of the Career Compensation Act of 1949, to authorize the payment of mileage allowances for overland travel by private conveyance outside the continental limits of the United States; to the Committee on Armed Services.

H. R. 5269. A bill to increase the number of cadets that the President may personally select for appointment to the United States Military Academy and the United States Air Force Academy; to the Committee on Armed Services.

H. R. 5270. A bill to repeal two provisions of law requiring that certain military personnel shall be paid monthly; to the Committee on Armed Services.

By Mr. WIER:

H. R. 5271. A bill to provide an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DENTON:

H. R. 5272. A bill to amend the Railroad Retirement Act and the Social Security Act to eliminate those provisions which restrict the right of a survivor to receive benefits simultaneously under both acts; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNÓS-ISERN:

H. R. 5273. A bill to amend the Atomic Energy Act of 1954 with respect to the definition of the term "United States"; to the Joint Committee on Atomic Energy.

H. R. 5274. A bill extending to the Commonwealth of Puerto Rico the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States; to the Committee on the Judiciary.

H. R. 5275. A bill to amend the Federal Crop Insurance Act, as amended; to the Committee on Agriculture.

By Mr. GRAY:

H. R. 5276. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H. R. 5277. A bill to amend the Fair Labor Standards Act of 1938, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. PILLION:

H. R. 5278. A bill to provide for the burial near the Marine Corps War Memorial at the northern end of Arlington National Cemetery of the participants in the famous flag raising at Iwo Jima; to the Committee on Interior and Insular Affairs.

By Mr. POWELL:

H. R. 5279. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; to the Committee on the Judiciary.

By Mr. ROBESON of Virginia:

H. R. 5280. A bill to authorize land exchanges for purposes of Colonial National Historical Park, in the State of Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEARNEY:

H. J. Res. 263. Joint resolution to provide for the establishment and operation of an Americanism and good citizenship booth or station in the rotunda of the Capitol; to the Committee on House Administration.

By Mr. MORGAN:

H. J. Res. 264. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. PILCHER:

H. J. Res. 265. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. WATTS:

H. J. Res. 266. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; to the Committee on Agriculture.

By Mr. BASS of Tennessee:

H. J. Res. 267. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls; to the Committee on Agriculture.

By Mr. RIVERS:

H. J. Res. 268. Joint resolution to improve the relations of the United States with Western Germany and Japan; to the Committee on Foreign Affairs.

By Mr. SHEEHAN:

H. Con. Res. 102. Concurrent resolution relating to the consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945; to the Committee on Foreign Affairs.

By Mr. FRIEDEL:

H. Res. 195. Resolution authorizing the employment of two additional messengers, Office of the Postmaster of the House; to the Committee on House Administration.

By Mr. BOYLE:

H. Res. 196. Resolution to authorize the Committee on the Judiciary to investigate the action of the Department of Justice in dropping criminal charges in the Bunge Corp. case; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Resolution of the Rhode Island General Assembly, memorializing Congress to approve the resolutions pending therein declaring that the people of Ireland should have the right to determine the form of government under which they desire to live; to the Committee on Foreign Affairs.

Also, resolution of the Rhode Island General Assembly, memorializing Congress with respect to House bill 3322 and Senate bill 1004, amending the Federal Property and Administrative Services Act which would release for donation to State surplus property agencies a large amount of Government surplus property for use of the State tax-free health and educational institutions; to the Committee on Government Operations.

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States relative to requesting the appropriation of sufficient moneys to provide for the construction of the unfinished link in the Lewis and Clark Highway; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States with reference to the compact commission approach to the solution to the need for greater coordination and integration of development of land and water resources of regional watersheds; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5281. A bill for the relief of Mrs. Mona Gurly Young; to the Committee on the Judiciary.

By Mr. FINE:

H. R. 5282. A bill for the relief of Mario Botoshansky; to the Committee on the Judiciary.

H. R. 5283. A bill for the relief of Artur Swislocki or Arthur Svislotzki; to the Committee on the Judiciary.

By Mr. FJARE:

H. R. 5284. A bill for the relief of Keith A. Botterud; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 5285. A bill for the relief of the Imperial Agricultural Corp.; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 5286. A bill for the relief of Dr. James Y. Wong and his wife Irene Susan Joe Wong; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5287. A bill for the relief of Estefana Castrelion de Martin; to the Committee on the Judiciary.

By Mr. KILGORE:

H. R. 5288. A bill for the relief of Miguel Flores Castro; to the Committee on the Judiciary.

H. R. 5289. A bill for the relief of Rodrigo Eulalio Santa Ana-Alvarado; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5290. A bill for the relief of Giuseppe Barberis; to the Committee on the Judiciary.

By Mr. MACDONALD:

H. R. 5291. A bill for the relief of Mrs. Anneliese Martin (nee Fesslmayer); to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5292. A bill for the relief of Sister Guiseppina Bucci; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 5293. A bill for the relief of George Quon Lok; to the Committee on the Judiciary.

H. R. 5294. A bill for the relief of Fernando Galvan-Cruz; to the Committee on the Judiciary.

H. R. 5295. A bill for the relief of Walterio Carrasco Mondaca; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

176. By the SPEAKER: Petition of the Marine Insurance Society of Seattle, Seattle, Wash., requesting passage of the Naval Vessels Tonnage Act, H. R. 2036, in its present form; to the Committee on Armed Services.

177. Also petition of Clifford Crail, Cincinnati, Ohio, requesting that a copy of a letter to Mr. Corliss Lamont of November 15, 1954, be submitted to committee, in order that Congress may investigate certain desecrations of the Bill of Rights by the law-enforcement people of Cincinnati, Ohio; to the Committee on Rules.

178. Also, petition of the editor, the Citizen, Honolulu, T. H., relative to a resolution passed by the Citizens Study Club of Oahu, T. H., placing themselves on record as rejecting and opposing communism, fascism, and all forms of totalitarianism that are antithetic and inimical to the American form of government, and rededicating themselves to the cause of perpetuating the American way of life, etc.; to the Committee on Un-American Activities.

EXTENSIONS OF REMARKS

A National Highway Program

EXTENSION OF REMARKS

OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. CASE of South Dakota. Mr. President, I ask unanimous cosnent to have printed in the CONGRESSIONAL RECORD an address I made at the 53d annual convention of the American Road Builders, at New Orleans, La., on January 12, 1955.

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

ROADS AT HAND AND ROADS AHEAD

Mr. Chairman, President Reindollar, President-elect Robertson, my colleagues of the Congress, and ladies and gentlemen, it is a privilege to be here to attend the 53d annual convention of this great organization and to participate in its deliberations. We may at this gathering point out some deficiencies in our highways, we may lament the slowness of progress in some respects, we may set our sights on new goals for national achievement, but the solid fact is that no other large nation on the face of the earth today has as many miles of good roads as the United States of America.

The credit for this must go in large measure to the enterprise and the resourcefulness of those who comprise the American Road Builders Association. You represent the individuals and the firms and the research institutions who comprise the American Roadbuilders Association. You who are here today represent those who have met the problems of highway construction and licked them. You bring to congressional hearings the lessons of experience. You show us how we may write into legislation practical ways to meet the ambitions of the American people. Your chairman, Mr. Steelman, was overgenerous in his introduction of me. Actually, any contribution that I may have made during the course of legislative consideration either of the Highway Act of 1954 or of some prior highway act when I was a Member of the House of Representatives and on the Appropriations Committee there or as a member of the Committee on Public Works and its Subcommittee on Roads before I became chairman during the last session—any contributions I may have made have been due to some suggestion that I got from somebody else, and in many instances from members of the American Road Builders Association.

So, I say, you have shown us how to write into legislation practical ways to meet the ambitions and the needs of the American people. And it is a privilege to attend your 53d annual convention in New Orleans, one of the distinctive cities of America, and one of the great cities of the world.

The Public Works Committee of the Senate, as Senator DENNIS CHAVEZ, of New Mexico, so well said yesterday, is a nonpolitical committee. We have had the benefit of great leadership during my membership on that committee. During the first 2 years I was in the Senate, Senator CHAVEZ, himself, was the chairman of the committee. During the past 2 years Senator EDWARD MARTIN, of Pennsylvania, has been chairman. They are both great Americans and they have conducted the deliberations of the committee on a nonpolitical basis. We tried to find out what America needed in roadbuilding, what it needed in rivers and harbors development, and addressed our efforts to that end, regardless of any particular political implications that any action might have. Speaking here in behalf of what is now the minority membership of the Senate Committee on Public Works and the Committee on Roads, I want you to understand that I am sure the tasks of the coming year will be tackled in the same nonpartisan fashion. In acknowledging the help you have given in our congressional hearings, I want to express special thanks for the factual and informational data submitted by your executive vice president, Lt. Gen. Eugene Reybold, at the hearings of the Senate Committee on Public Roads in 1952 and of Bob Reindollar at the hearings of the Senate Public Works Subcommittee on Roads in 1954. I would be remiss if I did not, speaking to your organization, say "Thank you" to all of you.

And I would be remiss, also, if I did not tell you that throughout the congressional year, we have been helped by the aids of your organization. I understand they prefer to be kept in anonymity but, nevertheless, I really would like to mention all of their names. These aids of yours are in touch with the people on Capitol Hill and are always ready to supply us with the latest data on highway matters from the construction standpoint.

My topic for this morning is "Roads at Hand and Roads Ahead." Under the first part of it, I wish briefly to set forth the intent of Congress, as nearly as I know it, in the Federal Highway Act of 1954 with special reference to some new features in that legislation. Under the second part of the topic, "Roads Ahead," I shall review in brief detail the recommendations of the President's special committee, the report which General Clay presented to the President only yesterday. I sat in with other members of the roads committees on a preview of the report last Friday night.

First, then, "Roads at Hand"—the special features of the Federal Highway Act of 1954. This is the law under which Federal funds will be available for highway programs in the 2 fiscal years of 1956 and 1957, the first of which begins next July 1.

Foremost is the fact that this Act, for the first time in Federal highway legislation, makes available for highway purposes an amount in dollars substantially equal to the amount of revenue expected to be collected in the same period of time from the Federal tax on gasoline and lubricating oils. This does not include the revenue in excise taxes on automobiles or accessories which more nearly compare with the excise taxes on other articles one may purchase.

The total amount provided for the primary, secondary, urban, and interstate systems in this new act was $875 million for each year compared with $575 million per year in the prior biennium. That increase of $300 million on a $575 million base was a very substantial increase, over 52 percent in fact.

The amount of $22½ million for forest highways, $24 million for forest roads and trails, $12½ million for roads and trails in the national parks, $11 million for parkways, $10 million for Indian roads and trails, $1 million for public-lands roads, and other amounts for the inter-American highway and for research and financing studies lifted the grand total so close to $1 billion that the act was properly characterized by the President, as a billion-dollar road bill, or as your chairman here this morning perhaps more accurately describes it, a $2 billion bill for the biennium.

We did something else, too, in dealing with these roads of Uncle Sam, the roads and highways in national forests, national parks, and national reservations. And these are given a little extra mention, because I think in the general thinking of highway systems we haven't realized the way in which those roads fit into the national system and the way also in which the roads in our parks and recreational areas in keeping with the suggestion that 50 percent of our traffic is for recreational purposes—those people who are out for recreational purposes will appreciate these recreational features of the highways as they drive along, but in many instances they are headed for one of the national playgrounds. And so what we do for the highways in those national playgrounds is important. Now, for the first time in this act,

we propose to give the Federal Government itself as good a deal as we have been giving the States; that is, the right to count on the amount of money which the legislative hearings established was what was needed in a proper distribution of highway funds.

For many years, the biennial highway act has been made the basis for allotment to the States and has been regarded as a commitment so that the several State legislatures could count on those amounts and plan their revenue gathering and allocations accordingly. But, prior to the present, the figures for the national forests roads and trails—not highways but the roads and trails—and for the national parks and the Indian reservations have been only top limit authorizations and there has been a woeful lag in the actual appropriations.

Testimony taken in our Senate hearings last spring established that this lag in the 8 years from 1947 to 1954 for the National Park Service amounted to $70 million—that is, that much was authorized that was not appropriated—and almost $20 million for the Indian Bureau. We established that appropriations for the roads in the national parks were running at an average of about $3½ million a year against a standing authorization in the legislative act of $10 million. The appropriation for the fiscal year 1951 for the National Park Service was $2½ million. That year, the park visitors exceeded 40 million people but the amount of money was less than it was in the thirties when the visitors were half as many. For fiscal 1953 and 1954 the appropriations for roads in the parks was in the $4 million class against the $10 million in authorizations although park visitation the last few years has gone up to 45 million per year.

In this connection we developed some interesting figures on maintenance. I suppose these figures on maintenance might have other applications, too. But, it was costing the National Park Service $1,571 per mile to maintain the old south approach road in Yellowstone Park on the old bituminous surface against only $202 on the new sections of bituminous. In the Shenandoah National Park, maintenance on the old bituminous sections was running $1,443 per mile against $163 on the new sections.

Our committee could not ignore the implications of such testimony. We decided that the Federal agencies responsible for maintaining the Government's own property should have the same assurance to count on the figures in the highway act that the States had on their partnership roads. So the Senate committee wrote into section 6 of the 1954 act contract authority for the amounts in the bill. The House conferees concurred in our action. And I might say that we did the unusual thing of making this provision applicable to the authorization of the current 1955 fiscal year as well as the biennium ahead of 1956 and 1957, so that today the Forest Service for its roads and trails fund, the Park Service for its roads and trails and parkways, and the Indian Service for its reservation roads now have this new authority, and each one is now engaged in programing roads which will permit them to make real progress in meeting their construction responsibilities. And, to a group which represents the road contractors, I suggest that you let the different agencies know that they now have contract authority to go ahead with the amounts described in the highway authorization act.

I have dwelt on this section of the bill a bit more, perhaps, than is proportionate to the total picture, because it has been a neglected one. We did not feature it in our presentation to the Senate, and I doubt that many people throughout the industry have been fully aware of the significance of this establishment of this contract authority on these minor highway-fund allotments.

But, in the long sweep of highway planning, and I was particularly glad that Mr. Neill emphasized that in his remarks this morning, the roads and the highways of our national recreational grounds have great importance. The American people like to travel. They head for those playgrounds. They travel thousands and thousands of miles to get there—and it is important that when they get there they find decent roads to travel. All the way that they travel they pay some gasoline-tax revenues, too, and, of course, they create part of the traffic problem on the highways in getting there. Your appreciation of the Tetons in South Yellowstone can be marred considerably if you have to bounce around on pitted blacktop. And your vision of some spouting geyser is not helped by viewing it through a cloud of gravel dust.

The big increase of funding, however, in the 1954 act was the stepup in the Federal-aid system—from $550 million for the primary, secondary, and urban to $700 million per year and in the interstate from a simple $25 million to $175 million—the two increases amounting to the $300 million increase on the $575 million base that has been previously mentioned.

These increases were not accomplished by accident. I, personally, had introduced a bill, S. 2859, a few days before the so-called administration bill was introduced in the House. My bill called for $1 billion, $2 million for each of the 2 fiscal years as compared with the $887 million in the bill introduced and subsequently passed in the House of Representatives.

Now, I think I should say to this association that your spokesmen in their testimony before the House and again before the Senate said that the lesser amount was not adequate and I think I should say that your testimony helped to establish the increase which the Senate committee reported and which the Senate approved. In conference, some adjustments were made, but still the final total was close to the billion-dollar figure and justified the statements that Congress was providing a sum approximating the amount collected in Federal taxes on highway fuels—and that that represents an increase of approximately 50 percent over the prior biennium.

I may have stressed the figures involved more than you expected, but there is a special significance to them. It is this: that the amounts set up in the 1954 Highway Act for primary and secondary systems are the amounts which the President's Special Commission headed by General Clay now has adopted and proposes to use as the base for those purposes in the new program to be submitted to the Congress. Had the old base been continued in the last Congress, it is entirely possible that that would have been the base for the continuing regular primary and secondary systems in the Clay report. We set a new mark and that has been used as the new base.

One other feature of the 1954 act before I turn to "Roads Ahead." That is the provision for the interstate system. The interstate system and the urban system are, of course, really selected segments of the primary system. That is from the standpoint of physical construction.

The congressional committees were not insensible to the many witnesses we had who urged larger allocations for those highly expensive portions of the primary system—the high standard routes of particular importance in the national defense, often described as the strategic network, and the routes through or around cities, the urban system. Your organization pointed out the great importance of these roads. So did the representatives of the Association of State Highway Officials, the American Municipal Association, the American Automobile Association and many others.

And the committees responded. The House bill proposed stepping up from $25 million to an even $200 million. The Senate committee reported $150 million, six times the previous amount. We settled on the midway figure of $175 million, a 600-percent increase.

At the same time, we provided that the share of the Federal Government would be 60 percent as against 40 percent for the State contribution. Now, that was not with the thought of reducing the total amount of roads built but rather because we recognized the very practical problem that in most States the mileage on the interstate system is less than the mileage on the other system. A great many people live on the other systems, in the small towns and in the smaller cities and in the country. Each State highway authority feels a great deal of pressure to complete their roads, too. When the people see a larger amount per mile put on the segments of the interstate system, which frequently are the better roads of the State, it makes it difficult for the State highway authorities to justify taking the larger amount that is necessary to meet the standards of construction for the interstate system and leave somebody's pet project neglected. And, so, in order to create a justification for the State highway authorities to put some money in the interstate system, we proposed that 60–40 base. Now that principal has been recognized to an even greater degree in the recommendations of the President's Advisory Committee. This discussion of the interstate system leads directly to the second part of the topic, "Roads Ahead."

In 1953 I had suggested that we have a joint congressional study of highway needs and highway financing. The House committee, however, had a study of its own under way. I believe that your organization testified at its hearings. Some of us felt, however, that we needed more than a general hearing on highway construction, that we needed to have the benefit of detailed study by experts in the field of construction, design, financing and related subjects; that we needed to consider completing the systems and getting caught up with the growing demands. We felt we should not merely build today for what we see today but build so that when we got through with a project or route we would have met the needs that existed when we started and also the needs that had come into being during the period of construction.

So, the Senate wrote into the 1954 act this section incorporating the language I suggested, to which your chairman has alluded, section 13. I am going to read it—it is not very long:

"SEC. 13. The Secretary of Commerce is authorized and directed to make a comprehensive study of all phases of highway financing, including a study of the costs of completing the several systems of highways in the several States and of the progress and feasibility of toll roads with particular attention to the possible effects of such toll roads upon the Federal-aid highway programs, and coordination thereof, and to make a report of his findings including recommendations with respect to Federal participation in toll roads, to be submitted to the Congress not later than February 1, 1955: *Provided*, That not to exceed $100,000 from funds available for administrative expenses shall be expended for the purposes of this section."

In his letter yesterday, formally presenting the report of the Special Advisory Committee to President Eisenhower, the chairman, Gen. Lucius Clay, wrote: "Early in 1955 the Bureau of Public Roads, pursuant to a directive of Congress (that is, sec. 13), will submit a comprehensive report on its current study of highway needs and financing. The estimates used by this committee (that is, the estimate used by the Clay committee), have been based upon preliminary tabulations of data by the Bureau, and hence no major inconsistencies are anticipated."

In other words, it is anticipated that the recommendations for roadbuilding in the reports of the Clay committee submitted yesterday will fit into the findings of need that will be submitted to the Congress in the report of the Bureau of Public Roads under the directive cited. And the fact that the Clay committee's recommendations grow out of the estimates of needs and costs made by the Bureau of Public Roads suggests, I think, the degree of support which the recommendations of the committee will have from governmental sources, at least as to goals.

Now, the President's Advisory Committee's recommendations are buttressed also by their own hearings in the White House on October 7 and 8, 1954, and by the work of the Conference of Governors and their committee and by studies of an interagency committee representing the several Cabinet departments.

To the features of the committee's recommendations, I want to give a very brief outline:

First, from the data compiled by the Bureau under the study directed by section 13 of the 1954 act, the President's Advisory Committee estimates that $101 billion would be required to complete all highway systems, Federal, State, and county and be current at the end of 10 years. I have heard some discussion and there is some confusion about the set of different figures, $101 billion, $50 billion, $25 billion. The $101 billion figures is the figure which the committee finds would be necessary to complete all the systems and be current at the end of 10 years.

Second. The Committee finds that if the present levels of expenditure were continued, $47 billion of this $101 billion would be provided, thus leaving a gap of $54 billion. Now, that $47 billion would embrace a continuation of the present Federal-aid program at the level cited in the 1954 act, plus the State and local, plus the existing toll authorities and whatever other programs are in the picture at the present time. Thus, $47 billion of the $101 billion would be provided by continuing the present program but that leaves a gap of $54 billion. The Committee would concur in the recommendations of the governors' committee that the Federal Government provide 30 percent of this $54 billion with States and local governments or road authorities taking the other 70 percent.

Third. The Clay Committee specifically recommends that the Federal Government take over and complete the presently designated national system of interstate highway system of approximately 38,000 miles at a cost of $27 billion, of which the Federal Government would supply $25 billion and others $2 billion. In reality, this would be $23 billion direct Federal and $4 billion equally divided to handle urban connections. That is, $23 billion for the general system would be provided directly by the Federal Government, $4 billion of the $27 billion was estimated as what would be required for the urban connections and that would be on a matching basis. That is where the $2 billion out of the $27 billion comes. Twenty-three billion dollars plus $4 billion, the $4 billion divided by 2 for Federal and local sharing.

Fourth. The Committee recommends that the Federal share of the interstate system be financed through bonds issued by a National Highway Corporation to be retired in 30 years, by annual appropriations of an amount equal to the proceeds from the gasoline tax and the revenue from the Federal tax on lubricating oils. This amount, the Committee specifically states—and General Clay emphasized this in talking with us Friday night—this amount, the equivalent of the Federal tax on gasoline and the tax on lubricating oil, should be sufficient with the increase that they anticipate as the highways are constructed, should be sufficient to maintain the level of appropriations established in the 1954 Highway Act for the regular primary and secondary aid systems, as well as $75 million for the continuation of the urban system and adequate amounts for the public domain lands as well as to provide for the retirement of bonds in 30 years.

Fifth. The President's Committee further specifically proposes that the Federal Highway Corporation reimburse the States for any segments of the interstate system built to acceptable standards since 1947, whether free roads or toll, to the extent of the non-Federal participation; and that this reimbursement money be available for use by the State to build what might be called lieu roads elsewhere in the State on whatever part of the State's system State law might provide.

This reimbursement money, however, would be available only if the State was keeping up its regular matching program on the other systems. That is, as it was explained to us, it would not be the intent that a State might sit back and say: "We'll take this money you are going to pay back to us and then ease up on our own appropriations." The State would have to keep up its regular matching program but if it did and if it had segments of the interstate system that were built to acceptable standards, whether it was a continuation of a part of a toll system or a freeway, the State would get the reimbursement for that.

I might say further in explanation, General Clay pointed out that would not mean the discontinuance of the Federal aid or the discontinuance of the tolls. His committee is suggesting that we accept those roads that are in being if they meet the standards of the interstate system.

Thus, to treat all alike, the Federal Government through this Federal Highway Corporation would stand ready to reimburse the States for the acceptable portions of the interstate system that it had built to acceptable standards since 1947, whether toll or free, and that that money paid for them would be available for the State to spend on building lieu roads. I use the term "lieu roads" because out in our State we have what we called lieu land. Sections 16 and 36 in each township of our State are dedicated as school lands but there were some sections which were homesteaded and taken up before that provision in the State enabling act was adopted. To make up for those, we set aside some other land and called it lieu lands. Well, these would be lieu roads. In place of the money that had been spent on the interstate system up to date the State would get back this money for building lieu roads. That is, would get back the non-Federal portion of the cost of the portion accepted for the interstate system.

Sixth. The Federal Government under this plan would provide 90 percent of the costs of rights-of-way on the interstate system and would use, or make available, its power of eminent domain to acquire rights-of-way if the State is lacking in such authority, that is, for the interstate system.

Seventh. The interstate system would be programed for completion in 10 years, that is by 1965, and designed to fully meet traffic needs of 1975 and constructed to last through 1985—a 30-year life.

Eighth. The committee proposes—when I say committee, I mean the Clay committee—the committee proposes that the bonds be subscribed to by the Treasury, if necessary, to a $5 billion limit; but General Clay said that the committee was of the opinion, following their consultations with investment bankers, that the bonds would sell in the market; especially so if the long terms were offered at one-eighth percent over the regular governments and the short term at one-quarter above.

Now, that is the picture as I understand it from hastily skimming through the preliminary draft of the committee's report and from the discussion General Clay had with members of the roads committees last Friday night. If some of you should have questions and if there is an opportunity for discussion later on, I'll be glad to answer them, if I can—but I think I have told you about all I know about it.

But, it is to be remembered that there are details that will have to be worked out in congressional hearings—and, as one of the speakers said yesterday, others may propose, but, in the final analysis, Congress disposes.

Personally, I agree with what Senator CHAVEZ and Congressmen FALLON and MCGREGOR have already said in suggesting that your roads committees in Congress will give a sympathetic hearing to this proposal or to any proposal to enable the country to meet the increasing traffic demands. Deaths of 38,000 per year, many of them avoidable on properly designed highways are too many. That is over 100 every day of the year. And, of course, the casualties of disabling and painful accidents are about four times that much. We must do all we can to meet the economic and humanitarian needs of modern travel.

I do see, I think, some hurdles that must be met by the President's Committee.

One big hurdle will be to demonstrate that the completion of the interstate system will not delay or interfere with the building of the badly needed roads on the primary, secondary, and urban systems that are not a part of the designated interstate routes.

There are two answers likely to be offered to this question: First, that relieving the States of matching on the interstate will release funds for construction of the other systems; second, that the reimbursement for funds already spent will make possible some "lieu" roads in some neglected sections.

These provisions are very important. In my State, for instance, we permit refunds of the State gasoline tax to farmers for the portion of their gas that is used off the highway—that is, in tractors for plowing, harvesting, etc., the nonhighway use. Now, in my State, that happens to amount to 29 percent of the revenue we receive in the State gasoline tax. You know and I know what the farmers would think about continuing the Federal gas tax at the 2-cent level which is not refundable in any degree if they thought the purpose was only to build a superhighway a hundred miles away. Or the residents of towns and cities not on the interstate route. It will be the job of Congress, I think, to write the provision for these "lieu" roads clearly into the legislation as well as to make clear that the funds otherwise released from matching on the interstate system will be used for completing other systems if public acceptance is to be won for this expediting of the interstate system.

Mr. Chairman and delegates to this convention, in conclusion may I say again that it has been a privilege to talk with you on this subject of "Roads at Hand and Roads Ahead." You truly are a group of builders—roadbuilders. There is the whole thrill of America at its best in the tasks you undertake.

I'd like to leave with you these lines by Edwin Markham:

"We men of earth have here the stuff
Of Paradise—we have enough.
We need no other stones to build
The Temple of the Unfulfilled—
Here on the paths of every day,
Here on the common, human way
Is all the stuff the gods would take
To build a Heaven, to mold and make
New Edens. Ours the task sublime
To build Eternity in Time."

And, so I salute you, the roadbuilders of America.

Country Music

EXTENSION OF REMARKS

OF

HON. ARTHUR WINSTEAD

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. WINSTEAD. Mr. Speaker, on March 3 I introduced House Joint Resolution 245, which provides for the designation of the 26th day of May of each year, beginning with the year 1955, as National Country Music Day.

On May 26 of the past 2 years Jimmie Rodgers memorial celebrations were held at Meridian, Miss., in commemoration of the contribution made to country, hillbilly, and folk music by the late Jimmie Rodgers—known as the blue yodeler and America's singing brakeman. The date, May 26, has been chosen for the annual celebrations because it is the anniversary of his death.

Many thousand visitors have attended the past two celebrations and it is expected that all past attendance records will be broken this year.

Past programs have presented a long list of the Nation's top country, hillbilly and folk music singers and artists. Performers of equal ability and prominence are expected to participate in this year's celebration.

At the celebrations held in the past, prominent leaders in the entertainment, railroad, governmental, labor and political world have taken an active part. Governors White of Mississippi and Clement of Tennessee and other high State officials have actively joined in these celebrations. The feature speaker at last year's memorial celebration was Adlai E. Stevenson. Mr. W. P. Kennedy, Cleveland, Ohio, president of the Brotherhood of Railroad Trainmen, has taken a deep interest in these celebrations and has appeared on the program for the past 2 years. Other notables of the Nation's labor world have contributed much toward making the past celebrations events of unqualified success.

From all indications, this year's Jimmie Rodgers memorial celebration promises to be even more successful than the two previous ones.

Mr. James H. Skewes, editor and publisher of the Meridian Star, together with capable members of his staff have played a great part in making these past events so successful.

Many of the people of the city of Meridian and the State of Mississippi are justifiably proud that the late Jimmie Rodgers was the inspiration of this annual celebration.

I think it was fitting, in recognition of his contribution to country, hillbilly, and folk music that a statue was dedicated in Meridian, Miss., to the memory of its native son, James Charles Rodgers, on the 20th anniversary of his death, May 26, 1953. He was universally known as Jimmie Rodgers, the blue yodeler and America's singing brakeman. He was a pioneer in that type music that has built an industry out of hillbilly, or country music.

At 14, Jimmie Rodgers became a railroad man, assistant foreman to his father. His first job was on a work train, but soon he had a regular run on the New Orleans & Northeastern, from Meridian to New Orleans. He had always wanted to sing, but lacked confidence. The railroad crews heartily enjoyed his rollicking ballads of the railroads, his plaintive crooning of plantation melodies, and the songs of hills and rivers. He was a railroad man—and a minstrel. During 1917 and 1918, Jimmie served his country by doing what was required of all railroad men, attending to his trainman's duties. The casualty of one of his best friends during World War I caused him to write his first composition, a sentimental song. From the first his railroad buddies liked the song and so did the young fellows in Meridian.

In the spring of 1920 Jimmie Rodgers had a siege of pneumonia and for 3 months in the autumn of 1924, he struggled desperately to overcome tuberculosis. The following years, he and his wife, Carrie Williamson Rodgers, fought against poverty and the ravages of tuberculosis. In May 1927, the Jimmie Rodgers Entertainers broadcast over a new radio station, WWNC, from Asheville, N. C. By strange coincidence the officials of a large recording company tuned in on the new station and hearing Jimmie Rodgers, they found a natural. His local popularity increased, but later he was truly discovered in Bristol, Tenn., by a Victor record scout, who was searching the hills for talent. Still battling tuberculosis, Jimmie Rodgers began a career that was fabulous even in the phonograph industry. It is estimated that the blues yodel records sold over 5 million copies.

Jimmie Rodgers left a mark on all hillbilly music. He has been recognized for the simplicity of his accomplishments. His songs dealt with real problems. They came from the heart and the people responded.

Jimmie Rodgers' obituary in the Meridian Star stated that he was an honorary member of the Texas Rangers, a Mason, and a Shriner, but perhaps his closest ties of friendship always cherished by him and frequently referred to in many of the songs of his original composition, were found within the ranks of the railroad men of the Meridian section with whom he served as railroad brakeman before entering upon his professional career, and from whom the active pallbearers were selected. The singing brakeman died in New York City where he had gone 3 weeks prior to his death to make recordings. Under the care of a fulltime nurse, he believed himself able to make further contributions to the development of country music in America.

The demands for hillbilly music have continued to multiply since Jimmie Rodgers made his first recording, and some state as much as fivefold since World War II. Ten years ago, if a hillbilly record sold 10,000 copies, it was a hit; today a 50,000 sale is mediocre. These tunes continue to come from the plains, the prairies, and the hills. Once a specialty product marketed mainly in the deep South, hillbilly music has a nationwide sales field. With the war, hillbilly, or country music, quickly came out of the hills. Many of our large training camps were in the South. The GI's who might never have been exposed to this music heard it constantly. They liked it—and brought the songs home with them. Postwar shifts in population helped spread it, and disc jockeys followed through and gave country music to a widening audience. It all tied in with a trend toward simpler songs—and nothing is simpler than country music.

Back in 1930 country singers started going highly commercial when Gene Autry's popularity began. Following him came a long procession of names, including Hank Williams, George Morgan, Red Foley, Ernest Tubb, Roy Acuff, Jimmy Wakely, Eddy Arnold, and others. The home of the Grand Ole Opry has become known as the Broadway of country music.

Roy Acuff has said:

> If you aren't a country boy, you can't write or sing country music. It is simplicity of our songs, I guess. More than that, it is something in here—something in the heart.

The question has been asked: What kind of music is it? It has never been definitely named. Hillbilly or country music comes near. There are many who believe history will write it down as the true American music. Writers of this type music, like Fred Rose, say theirs is the music of a people who may not know the mathematics of a Wagnerian opera or a Brahms symphony, but they know what it is to hear the sound of songs like those that Jimmie Rodgers wrote and sang: Old Pal of My Heart, The Land of My Boyhood Dreams, Mississippi Moon, Waiting for a Train, and so on. These songs tell a story and touch the heart of country and city folks alike.

Mississippi can be truly called a musical State, if one judges by its singing folk, rather than by the number of its symphony orchestras. Living close to the soil, they have retained the lore, the customs, and the songs of their ancestors. The songs of the railroad, the river, and the field are a part of our heritage. Jimmie Rodgers helped to maintain that heritage, not only for the State of Mississippi but for all home-loving Americans.

My resolution is as follows:

> *Resolved, etc.*, That the 26th day of May of each year, beginning with the year 1955, is hereby designated as National Country Music Day, in recognition of the contribution made to American music lore by the writers, singers, and players of country music.

The following is a clipping from the March 20, 1955, issue of the Meridian Star, Meridian, Miss., with reference to the coming Jimmie Rodgers Memorial Celebration:

> IN AND ROUND MERIDIAN
>
> (By C. H. Phillips)
>
> The third annual observance of the Jimmie Rodgers memorial celebration in Meridian carries an appeal linked to the dreams and aspirations of millions of people in all the 48, well evidenced by the attendance of many thousands of visitors in our town in 1953 and in 1954. There seems to be little or no doubt but that country music, in and of itself, expresses the yearnings for peace

and security so paramount now in the minds of America's teeming masses. So be it * * * In a literal sense, folk in our town have won, and sustained thus far, an achievement without a parallel in United States history. With the help of such folk and institutions as Ernest Tubb, Hank Snow, Ralph Peer, Roy Acuff, Jimmie Davis, Horace Logan, Louisiana Hayride, Grand Ole Opry, The Billboard, Country Song Roundup, Norm Silver, Cash Box, Pickin' and Singin', Bill Alexander and Steve Sholes and others of RCA-Victor, Governor Frank Clement of Tennessee, Governor Hugh White and Lt. Gov. Carroll Gartin of Mississippi, Dan Collins, Adlai Stevenson of Illinois, Railroad Trainman President W. P. Kennedy, Minnie Pearl, Eddie Hill, Red Foley, Congressman Arthur Winstead, Senators John Stennis and Jim Eastland, Congressman Jamie Whitten, Jas H. Skewes, R. D. Hendon and his band, Hank Thompson, Hill and Range Songs. Meridian and Bigbee Railroad (The M & B donated the big engine honoring Rodgers on Tom Bailey drive), and hundreds of other artists, we have set a stage of permanence for tremendous American folk-song potential * * * This column today expresses appreciation to all, for the contributions already made to this magnificent movement * * * Likewise, it is proper that we here and now dedicate ourselves to an expression of thanks to Dizzy Dean and to Falstaff folk who are bringing him here as part of our coming observation which falls, as it were, on National Country Music Day, May 26, likewise the day in 1933 when America's great "Blue Yodeler" passed into immortality * * * Meridian folk, and those in all Mississippi, also will be interested to know, in re the coming show, that the Philip Morris people are going to give it every possible break. It may be that Tennessee Ernie will be a top guest this year. But, in any event, we do know the Philip Morris folk, in the light of the truth that good will is the one asset competition can neither undersell nor destroy, are going to give national public plugs to the celebration. Hence, once more, due thanks to Falstaff and to Philip Morris for assistance that will not be forgotten * * * In the premises, the 1955 program ought to set the final groundwork for a continued Jimmie Rodgers Memorial Celebration in national sense * * * In the face of this national attention, it is our hope that we, in our town and in Mississippi, will live up to a tremendous bit of obligation. Let us make all of the coming visitors feel at home. And actually be at home. Informally, of course.

Tabulation of Questionnaire

EXTENSION OF REMARKS

OF

HON. WILLIAM S. MAILLIARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. MAILLIARD. Mr. Speaker, last year I sent out a questionnaire to every sixth voter registered in California's Fourth District, regardless of party affiliation. The response was so enthusiastic that I have again this year asked for voter opinions on matters of current interest. Twenty percent of the questionnaires have been returned, and they are still coming in.

I am very pleased with the interest shown by the voters of my district. It is, in my opinion, a reassuring example of representative government in action.

In the belief that other Members may be interested in the views expressed, I am inserting in the RECORD the following tabulation of replies:

	Yes	No	No opinion
	Percent	*Percent*	*Percent*
1. Do you favor an increase in postage rates to reduce the operating deficit of the Post Office Department?	67	31	2
2. Do you favor lowering the voting age to 18?	35	64	1
3. Do you favor raising the present legal minimum hourly wage from 75 cents to 90 cents?	75	22	3
4. To reduce the costly rapid turnover of military personnel, President Eisenhower has proposed pay raises and additional benefits for career servicemen. Do you approve?	76	21	3
5. Do you favor pay increases for Federal civil service and postal workers to bring their wages in line with those paid by private industries?	76	21	3
6. After thorough study, a special commission recommends a substantial pay increase for Federal judges and Members of Congress. Do you approve?	60	35	5
7. Do you believe a firm stand (backed by force if necessary) against further Communist aggression is our best approach to world peace?	85	10	5
8. The controversial Dixon-Yates contract permits private capital to construct power facilities to replace energy being withdrawn from TVA for atomic energy purposes. Should this contract be cancelled and the Federal Government assume the responsibility with public funds?	34	56	10
9. H. R. 1 would extend the President's authority to enter into trade agreements for 3 years, with added authority to adjust tariffs. Do you favor enactment of this bill?	66	25	9
10. Do you favor further cuts in Federal taxes, even though this means an operating deficit and an increase in the national debt?	25	72	3

Trinity River Project

EXTENSION OF REMARKS

OF

HON. HUBERT B. SCUDDER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. SCUDDER. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to state that I have had a great amount of correspondence from California favoring a program which will save the taxpayers of our country untold millions of dollars in the construction and operation of the Trinity River project, should the same be authorized and constructed.

The Pacific Gas & Electric Co., now serving the greater part of the State of California, has submitted an offer to construct all of the power facilities and transmisson lines, and buy from the Federal Government falling water developed by the Trinity River project. Information I have received is that the power company would pay in the neighborhood of three and one-half million dollars per year for such falling water; also, they would be paying taxes which would be of great benefit to the local communities, the State, and Federal Governments.

I herewith submit a resolution from the Healdsburg Chamber of Commerce, which I ask be inserted with my remarks:

Whereas the board of directors of the Healdsburg Chamber of Commerce know that the Bureau of Reclamation has under study a plan to take water from the Trinity River by the building of tunnels; this water to be released into the Sacramento River and used for irrigation of the Sacramento and San Joaquin Valleys; and

Whereas the board of directors of the Healdsburg Chamber of Commerce believed that a study should be made of the plan presented to the Bureau of Reclamation by the Pacific Gas & Electric Co. in regard to the construction of power facilities in connection with this project: Now, therefore, be it

Resolved, That the board of directors of the Healdsburg Chamber of Commerce go on record as favoring the construction of all power facilities in this project by the Pacific Gas & Electric Co. of California, and urgently requests your support in this matter.

Respectfully submitted.

HEALDSBURG CHAMBER OF COMMERCE,
GEROLD F. MILLER, *President*.
MARGARET R. TOWLE,
Secretary-Manager.

Dated March 21, 1955.

Unemployment

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include a statement which I made last week during my appearance before a subcommittee of the Senate Committee on Education and Labor. My statement emphasizes the fact that present trade policies are contributing to growing unemployment in West Virginia and other industrial areas.

The statement follows:

STATEMENT BY HON. ROBERT C. BYRD, OF SIXTH DISTRICT OF WEST VIRGINIA

Mr. Chairman, although I was not a Member of Congress when you conducted hearings in 1950 on the subject of unemployment and its causes, I was very much interested in your investigation and followed closely the newspaper accounts of testimony presented at that time.

In 1950, I was a resident of Raleigh County, which, as you know, is perennially among the top five coal-producing counties of the State of West Virginia. Every resident of every coal community is only too well aware of any serious drop in production at the mines. The businessman sees it in dwindling receipts. The schoolteacher detects it soon enough when children are not getting proper nourishment, and the pastor of the church finds his income drastically reduced when the mines are not working regularly.

These are the tangible evidences of economic imbalance. Certainly no less distressing is the profound effect of business decline on the attitude and outlook of a people who, through the years, have been outstanding Americans and willing and industrious workers.

When I look back to that time 5 years ago, I must acknowledge that probably none of us

in the mining region had any perception whatsoever of the long struggle that was ahead. While we were not braced for such an acute blow to our economy, we nevertheless were able to understand that certain dislocations are inevitable in a readjustment from a war to an era of peace. What is more—largely through the splendid efforts of the chairman of this committee—it was established beyond doubt that the impingement upon coal's markets was the product of a foreign-trade policy that had been designed and put into practice under circumstances that were entirely different from those existing in 1950. We naturally assumed that existing inequities would be quickly corrected, especially since the entire case was established without equivocation.

Mr. Chairman, your investigation proved beyond question that foreign residual oil was responsible for much of the unemployment in our part of the State and throughout the mining areas of West Virginia. I have heard it said since coming to Washington that, as a consequence of the bipartisan concurrence of the committee's members, proper action would have been taken by the Congress to place a quota restriction on residual oil imports after the issuance of your report, had it not been for the unforeseen developments in Korea.

As we all know, coal is necessary to make the steel which goes into tanks, airplanes, ships, ammunition, and all other implements of war, so it was only natural that the demand for this vital fuel would turn upward as soon as military operations were undertaken. Consequently, "work today" whistles were heard more often in our communities, more of our miners returned to work, railroads called back scores of their men, and there was a general rise in business throughout our area.

Unfortunately, however, as the eyes of the Nation turned toward the Far East, more and more tankers from foreign countries were rushed into the ports along the Atlantic Seaboard carrying more and more oil to displace coal produced by American workers. Your committee had shown that a total of 75 million barrels of residual oil entered our markets in 1949 and that this foreign product was definitely injurious to the national economy. When these facts were presented to executives of the importing companies who appeared before your committee, they informed you that whatever realignment was necessary could be achieved through the voluntary restrictions of residual oil imports. Yet, as soon as Congress turned from the oil import issue in order to face the situation in Korea, those companies immediately undertook to accelerate importations, and by the end of 1950 a tabulation by the United States Bureau of Mines showed that 120 million barrels of foreign residual oil had entered our markets—an increase of 60 percent in a single year.

National coal production fell from a high of 613 million tons in 1947 to less than 400 million last year. Employment in the mines has been cut in half—dropping from 400,000 men 6 years ago to no more than 200,000 now. Throughout the coal fields in my State, and of Pennsylvania, Kentucky, and all the other great producers, are idle tipples, idle railroad cars, deserted shafts, and mine after mine closed down. During the past 3 years, at least 150 commercial mines have closed in the State of West Virginia, idling thousands of miners. Add to these the thousands who depend on coal for a livelihood—railroad workers, storekeepers, service station owners, and a host of others, and we begin to get some picture of a real depression in coal-producing areas.

I have been following these hearings closely, Mr. Chairman, and I realize that you have already received voluminous statistics in reference to unemployment and surplus commodity distribution in the State of West Virginia. Mr. Walter R. Thurmond, secretary of the Southern Coal Producers Association, who was the first witness when you opened hearings on March 7, is a resident of the district which I have the honor to represent. As you know, he is one of the best-informed coal men in the country. His lucid testimony included statewide tabulations that require no expansion on my part. George J. Titler, president of district No. 29 of the United Mine Workers of America, who also is a resident of my constituency, provided further evidence of the reasons for the depressed economy of our State, and Gov. William C. Marland also offered invaluable testimony to this committee. You have heard other West Virginians and, no doubt, additional representatives of government, industry, and labor from our State will appear later. I shall, therefore, refrain from imposing upon your time with the statistics which I have developed, except for some pertinent data reflecting conditions in my own district. I want to say at this time that the cooperation which I have received throughout my tenure in office from various State agencies has been excellent. I am especially indebted to the West Virginia Department of Mines, the Department of Employment Security, and to the West Virginia Chamber of Commerce.

Perhaps the most effective testimony which can be produced to depict the serious economic dilemma confronting us is shown in the number of persons who are receiving Government surplus commodities. In my four counties—Boone, Kanawha, Logan, and Raleigh, which have a population of 446,466—there are a total of 85,829 men, women, and children for whom surplus commodities constitute the principal source of food supply. To me, Mr. Chairman, the fact that almost 20 percent of the entire population of our counties has been forced to qualify for this assistance is a serious indictment of Government policy.

Of a certainty, there is no economic elixir that overnight would enable all of our breadwinners to get back on the job and earn their livelihood instead of having to depend upon Government food distribution programs. But we very definitely do know that a great proportion of our jobless men could be returned to work very quickly if only the Federal Government would enact a quota limitation on residual oil imports. Perhaps this formula may sound too simple for the skeptical to accept, but you and I know that many fuel markets would return to coal immediately if a sensible restriction on foreign oil were imposed. Give us a chance to get back some of the electric utility markets along our east coast, and you will see a lot of the mines right in my congressional district resume operations just as soon as they can be reactivated. You will see the railroads calling back many of their operating crews, maintenance men, shop workers, and office employees. Our people who have had no income for many months will finally be able to again start buying clothing for themselves and their children, with the result that our merchants will be able to put their business establishments back on a normal operating basis. Needless to say, more coal production would also have an immediate beneficial effect on business in grocery stores and meat markets, and our whole economy would be stimulated.

Our people have had no respite from economic distress for many, many months. As I have said, we had naturally assumed that Congress would exercise its sworn duty to protect the jobs of American workers by taking the necessary steps to stem the tide of foreign residual oil that has engulfed our rightful markets. Instead, however, the international oil companies have been permitted to make their own rules, and conditions in coal communities have steadily worsened. Let me read to you one paragraph from a report which I have received from the West Virginia Department of Employment Security:

"Employment in the Logan area slid from 20,300 to 17,700—2,600 or 13 percent from August 1953 to August 1954. The employment loss in the area's major industry, bituminous coal mining, has been under way for several years but the drop of 2,550 or 22 percent during the year was very severe. The 3,500 persons unemployed in August represented 16 percent of the labor force. Nearly all of the area's very substantial labor surplus has accumulated from layoffs in the coal industry. Due to the growth of the labor surplus, this area was classified by the United States Department of Labor as a group IV area in March 1953. With more than 16 percent of the area's labor force being unemployed, the area is currently classified in group IV-B (very substantial labor surplus)."

Last year, 25 mines in my district were closed down and many more cut back operations to 1, 2, or 3 days.

How our national administration can sit back and permit these conditions to continue is beyond my power of understanding. I want you to know, Mr. Chairman, that I am a firm believer in trade policies that permit and encourage the maximum interchange of goods, so long as there is no threat to the economy and security of the United States of America. When a foreign-trade program reacts to the disadvantage of domestic industry and labor, then comes the time for reappraisal and readjustment. Unfortunately, however, some international interests insist in pursuing a course that brings only disaster to certain industrial areas.

Coal is not the only industry which has been harmed by illogical trade policies. Advocates of all-out liberalization of our tariffs have actually stated that we should be willing to sacrifice segments of our glass and chemical industries if foreign nations are able to supply our markets at lower prices. Obviously, a country with modern industrial equipment and which pays to its workers only a small portion of the earnings of Americans is going to be able to keep its production costs far below United States levels. Like coal, chemicals and glass are vital to the national defense, and I insist that it is inimical to the security of this Nation to permit any of these vital industries to go downhill, particularly at this crucial period.

Last Wednesday, Adm. Arthur Radford, Chairman of the Joint Chiefs of Staff, said that war could come about "almost any place, any time."

So long as such a situation persists, it is incumbent upon this Government to use every means possible to protect our vital industries. But administration recommendations regarding our trade policy would, in fact, intensify the depressed conditions of many of these industries upon which we would have to depend in the event of an emergency. I have time and again asked the White House to arrange for me to see the President that I might be able to give him first-hand information of conditions in my district. Thus far the palace guard has shown no inclination to permit me an audience. Meanwhile, however, practically all of the Cabinet members have shuttled between their offices and Capitol Hill to plead the administration's case in the matter of further liberalization of our tariff policies. When a Member of Congress takes up the problem of residual oil, he usually gets the standard administration answer: "It is true that foreign residual oil is depriving coal of an opportunity to enter certain markets in this country, but for diplomatic reasons any legislative restrictions are undesirable." Secretary of State Dulles, during hearings before the House Ways and Means Committee in January of this year, made the statement that Venezuela—from which most of the residual oil flooding the east coast origi-

nates—is one of the many countries not having any appreciable industry of their own which must export raw materials in order to prosper. I do not question the fact that by using our east coast as a dumping ground for residual oil, it has said an effervescent effect on Venezuela's prosperity; my contention is that it is a violation of the rights of American citizens to take away their jobs for the sake of perpetuating an economic boom elsewhere in the world.

There are other aspects, too, of the damaging impact of foreign residual. Coal mining and railroading are as essential to the conduct of a mobilization program as are aircraft industries, munitions works, and shipbuilding. Coal mines and railroads cannot survive under a system which demands that they operate like a stop-and-go traffic light—on again, off again, on again, gone again. The caution light is now burning and, unless the rail and coal industries are given consideration in the immediate future, the red light may be on when this Nation's security is in jeopardy and these great basic industries are called upon once more to deliver the goods.

Mr. Chairman, I conclude my testimony with the hope that Congress will act to place a quota limitation on oil imports and to provide adequate protection for our basic domestic industries. I want you to know that the people of West Virginia are most appreciative of your efforts in the conduct of these hearings, which are doing so very much to bring to the attention of the American people and of the Congress itself the reason why there is so much unemployment in West Virginia and in other producing areas today.

Paul V. McNutt

EXTENSION OF REMARKS

OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. MADDEN. Mr. Speaker, Indiana lost one of its most outstanding native Hoosiers when former Gov. Paul V. McNutt passed away at New York last Thursday.

Paul V. McNutt revealed his outstanding ability and talents as a student and lawyer shortly after graduating from the Indiana University Law School. In 1917, a few years after graduation, he joined the law faculty at Indiana University. He became dean of the Indiana Law School in 1925 at the age of 34, the youngest dean ever to hold that position at the university. A few months after assuming this position, he entered the military service in World War I and rose up in the ranks until he became a major in the field artillery. He was an instructor in an officers' training camp and then commanding officer of three separate units of field artillery. While stationed at San Antonio, Tex., he met Miss Kathleen Timloat, whom he married in 1918. After the war he returned to Indiana University and there organized an American Legion post in his home city. He was elected commander of his post and later State commander of the Department of Indiana. In 1928 Paul V. McNutt was elevated to the high post of national commander of the American Legion. As the national head of the American Legion, he traveled throughout the country and successfully initiated outstanding legislative Legion policies and accomplished more successful results for the World War I veteran than any other national commander up to that time. In 1932, primarily at the request of the veterans of Indiana, Paul V. McNutt became a candidate for Governor. He was elected and in January 1933 took over the highest executive office in his home State. The depression was at its lowest ebb when he became Governor, but by reason of his great executive ability reorganized the State government, reduced taxes, and inaugurated fiscal policies which during his 4-year administration erased a $7-million deficit and replaced it by a $10-million surplus.

Paul V. McNutt was appointed by President Franklin D. Roosevelt as High Commissioner to the Philippines and served in this capacity from 1937 to 1939. In 1945 and 1946 he was appointed the first American Ambassador to the Philippines, after the islands gained their independence. It was Commissioner McNutt who lowered the American flag at the Philippines Independence Day ceremony in 1946. During World War II, Governor McNutt served as Federal Security Administrator, Director of Defense, Health, and Welfare Services, and Chairman of the War Manpower Commission. His services won him a Medal of Merit from President Harry S. Truman. In 1947 Governor McNutt again entered the practice of law in New York City and Washington. At the time of his death his firm enjoyed an extensive corporation practice.

Indiana is indeed proud of the outstanding accomplishments of Gov. Paul V. McNutt in the various capacities in which he served his State and Nation during his adult life. His host of friends, not only in Indiana but throughout the Nation and in the Philippine Islands, will mourn his passing.

I wish to extend to his wife and daughter, Louise, my deepest sympathy in their hour of bereavement over the loss of a beloved husband and father.

We Must Rebuild America

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of an address entitled "We Must Rebuild America," delivered by me before the National Society of New England Women in New York on January 24, 1955.

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

WE MUST REBUILD AMERICA

(Address by Hon. WILLIAM E. JENNER, of Indiana, before National Society, New England Women, New York City, January 24, 1955)

A great many people come to see me and say, "Our country is lost. There is no use fighting any more." They tell me how deeply the enemies of our liberty have penetrated into our Government. I agree with them. They tell me how widespread is the influence of the discreet collectivists in our press and magazines, and on radio and television. I agree with them. They tell me how Communists and pro-Communists are moving into every field of American life—business, labor, finance, schools, churches, women's clubs. I have to agree with them.

Those are not the worst dangers. People also tell me how many Americans who would never accept the Communist ideology, will make deals with the Communists for gain—for a few votes, or a few contracts, or some cheap publicity. Again I have to agree with them.

They tell me how Communists and pro-Communists are trying to surround and construct our military forces, as they succeeded in capturing our foreign policy in the forties. I have to agree with them.

Most dangerous of all, they tell how it is now the fashion for supporters of communism to make themselves a record as anti-Communists. That protects them and keeps us hopelessly confused.

The Communists insist on leading the anti-Communists procession. They have the loudest bands and the prancingest majorettes. They try to draw all eyes, to fill all ears, to drown out the words of the true anti-Communists, if they have not driven them from public life. I have to agree.

Never in all our history has the danger to our country been so great as it was in 1954. Never was the despair of patriots so intense.

In the month of February, when the Berlin conference opened, with the Red Chinese installed in full panoply, while our Korean allies were left out in the cold, it was obvious that our country was being led into a trap from which there might be no escape. At Geneva, the balance turned even more completely in favor of the Soviet Union and its Chinese satellite.

While our eyes were fastened on Europe, the Red Chinese made their long-planned drive against Indochina. In the beautifully planned confusion, we talked of entering the Indochina war, and we talked against entering the war, but it was all nonsense, because it was too late for us to enter the war, too late, that is, unless someone hoped to keep our fighting men bogged down in another Korean campaign, while the legal control of our Armed Forces was subtly transferred to U. N.

After the dismal retreat at Geneva, we saw the full orchestration of the theme of coexistence. The Soviet Government had planned their peace drive long before, when it contrived the Stockholm peace petition to save it from overwhelming defeat in Korea. Patriots watched the Soviet theme of coexistence, perfectly designed to booby-trap the innocent, the unthinking, the impractical, the cautious, as it spread and took new hold in the minds of men with no loyalty to communism. We watched it take hold among our leaders, who picked up the Soviet theme for our destruction, and repeated it in accents that were pure American. Never has a plan been devised so apparently simple, so subtle, so innocent looking and so deadly, as the campaign for coexistence. Never has it seemed more hopeless to decide how we could resist, where we could take our stand, and what arguments we could use against so noble and beautiful a word as peace.

But, my friends, there is one important fact on our side—our people were not fooled. The Communists have not ceased to fight for coexistence. They will come up with new schemes. But so far, they have not fooled our people. The subtlest, cleverest, best-concealed propaganda campaign ever devised did not succeeed.

Without any apparent organization or leadership or counter-propaganda, the American people broke the spell. Many of our

leaders now see clearly the jaws of the trap. Coexistence is clearly recognized as the anesthetic the Soviet leaders counted on, to put us to sleep before they struck the final blow.

So, my friends and acquaintances, who say all is lost, are wrong. They forget one thing. We face a mortal challenge to our way of life. There is no answer, short of a new birth of freedom, as complete as that which gave birth to Magna Carta, or the Declaration of Independence. It is a law of life that all new birth comes from pain, weariness, and even danger of death. We cannot give up the fight when the hour of new birth may be close at hand.

We are living in times that try men's souls. We are also living in times that try men's minds.

The breakdown in our society began long before the Communists came to power. It shakes our society and our political order to its very foundations. In the face of such a challenge to men's creative powers, we must go down into the valley of the shadow of death, and yet not despair. We cannot know whether we shall ultimately win, or not. We cannot know whether we shall have the wisdom, the creative power, and the courage to build a new Jerusalem. But we do know we must continue to fight.

Americans, when they wish to remind themselves of true courage and devotion, think first, perhaps, of Valley Forge. But we have many other noble images of self-sacrifice and greatheartedness. In trying to understand these men who solved other crises, we must remember one thing. We know the end. We know their cause triumphed. They did not know, but they fought on. The soldiers in ragged uniforms who shivered before the campfires of Valley Forge were suffering from something more cruel than the cold. They knew that while they watched and waited in bitter discomfort, other men who should have fought by their side were living in comfort, or even doing business, as usual, with the British.

Politicians were squabbling, generals were disagreeing, diplomats were conniving. The men at Valley Forge with Washington, could not know recruits would come, the Continental Congress would vote the money they needed, and the young Lafayette would be followed by French ships and fighting men, and in a few short years the haughty redcoats would be surrounded and defeated at Yorktown.

I love a story from an old children's history book, of the night watchmen who used to go through the streets of the cities and ring a bell and say "Midnight. All's well." On October 19, 1781, they went their rounds saying, "Midnight. All's well, and Cornwallis is taken." That little story tells us all we need to know about the long wait and the gnawing doubt with which the Colonists paid for our independence.

With your love of New England you will think at once of the Pilgrims landing on the stormy coast of Massachusetts, of the first winter of hunger, or of the brave settlers who kept moving out to the wilderness frontier, knowing well the massacre of women and children by the Indians at Deerfield.

We can recall other victors over doubt or despair—the men who fought year after year in the war between the States, while they sang at night:

"Camping tonight on the old campgrounds.
Wishing that the war would cease.
Camping tonight on the old campgrounds.
Waiting for the dawn of peace."

We have in our time not only troubles as deep as the troubles of the colonists and the people of the Civil War years, but we have our own heroes as magnificent as they. The men who fought their way up from Australia and New Guinea never saw the fleets of planes which we had at the end of the war. They fought only with the few outdated planes which the administration of that day was willing to spare from the armadas of airships it was sending to England and the Soviet Union.

The men who stormed ashore at Tarawa and Iwo Jima did not know whether they would ever hear the shouts of victory, or see our flag planted on the islands they were risking their lives to win.

In every great fight that has ever been fought, the end was uncertain, and victory only a distant hope on the horizon.

The men who marched north to the Yalu, to flush out the armed hordes of Red China, and who executed the magnificent march to the rear in the ice and snow amid the hail of enemy bullets, had no one to assure them of the success of their struggle. They had only their own inner sense that they must keep up the fight, however dark the scene. They had the courage that comes from knowing that good men were fighting by their side, ready, as they were, to give their all.

It would not be honest or fair of me to give you a falsely optimistic picture of where we are today. I shall certainly not try. We are, I believe, in a conflict that is truly a life-and-death matter for us, and our kind of government. Our enemy is able, ruthless, infinitely cunning, and skilled in every form of disguise.

I do not say the struggle will be easy, and I do not say victory is assured. I say that all true Americans must keep up the struggle because honorable men and women are made that way.

And I tell you, you are not fighting alone. On every side other brave and patriotic Americans are as determined as you are, that, while they live, our country will be free. You are with them, and they are with you, whether you see them or not.

Brave and loyal Americans come to see me who say to me—and not without reason—the struggle is hopeless. But other men and women come to see me with quite a different story.

We have heard a great deal about the Communists in our Government and the subversive forces at work. We have not heard enough about the brave armies of unknown Americans, who with no leaders, no commanding officers, no bands, and no banners, have fought the Communists where they stood, and tried to shut at least one door, or bar their advance down one narrow corridor. We have not heard about them, but their name is legion.

We know the names of many of the men in our foreign policymaking who betrayed our country—Alger Hiss and Harry White, Harold Glasser, Victor Perlo, and the rest. But who knows the names of the men who blocked their progress again and again, patriots who were forced out of their jobs, or sent to departmental Siberias where their patriotism would not block the traitors?

For myself, I would far rather know the names of the anti-Communist resistance than I would the names of the perjurers and traitors. We need to know what the Communist agents are doing to destroy us, but we ought to want to know the names of the brave Americans who have tried to stop them. They are the minutemen of today. They stand at a Bunker Hill and a Lexington we cannot see. I am reminded of this unknown band of heroes—in our Government, in writing and publishing, in the moving-picture industry, and in the unions, because I have recently been learning about some men of the same mold in our Armed Forces.

Every time the Communists and those who have made a deal with them, try to tighten the net about our Armed Forces, young men risk their careers and their peace of mind, to set up a bit of resistance, wherever they are—in the ranks, in the training courses, in communications, on foreign duty, in military intelligence, in every branch of the Army, Navy, Marines, and Air Force. Many of these men think they are alone, that no one else sees the danger. They are willing to fight alone, with no thanks and no reward, if it will save our country. But they are not alone.

Americans have the deepest confidence that we can trust our professional military men to be truly loyal to our system of government. Probably no nation has ever had a more magnificent type of military leader—with the highest professional competence and the deepest devotion to freedom—than we have in Admiral Radford and Admiral Joy, General MacArthur, Generals Van Fleet, Stratemeyer, Mark Clark, and Almond, and others whose names are omitted from no lack of admiration for their truly American achievements.

What is, if possible, more heartening is the fact that our younger men are of the same breed. Of course, there are time-servers and bootlickers, and trimmers. They are as ever present as crabgrass. The important point is that we have among our young officers and men in the Armed Forces, Americans whose courageous defense of our liberties, is as great as Gen. George Washington could have asked for.

We all know the forces that have been at work in our schools, in our press and elsewhere, trying to shape our young people in the collectivist mold. But there is something stronger at work, something deeply American, which seems to convert these outside pressures to make the best of our young men more American than ever.

I am not saying—nor do you say—that we must be bombastic about what we call the American way. Other people have made great contributions to the world. They have every reason to be proud. But we love our way. We love the system of political liberty worked out for us by the constitutional convention. We love the self-reliance worked out for us by the early seafarers and the pioneers. We love the habit of living together in mutual trust and freedom which more recent generations have preserved under mounting pressures.

We do not intend to let any alien-minded intellectauals or power seekers take our freedom and fair dealing from us, and substitute another system based on ruthless power. We certainly do not intend to let them take our liberty from us, in secret without a struggle. We know our people, young or old, important or unimportant, soldiers or civilians, will give all they have and are, to keep that freedom, and to keep it bright.

You asked me to discuss what you can do. Well, you probably know that far better than I do.

But I have a special angle of visions, from the Senate of the United States. I can tell you what we have, and what we need, from that observatory.

First, I wish to congratulate you on the splendid things you are already doing. We have survived against all the schemes of the Soviet leaders and their cunning agents in the highest places because our patriotic citizens and patriotic organizations have worked hard and have worked intelligently.

You have not merely worried or complained about collectivist schemes to entwine our foreign and military policies with U. N., or our commercial enterprise with GATT, or our Bills of Rights with the U. N. Declaration of Human Rights, which adheres so closely to the Soviet constitution.

You have collected documents, you have analyzed bills and charters, you have read the fine print. You have rewritten the gobbledegook in plain English and mailed thousands of documents to your friends and fellow members so that they, too, could be informed.

Ycu have been volunteer committees of correspondence, like those which helped win

the Revolution. I cannot tell you how to do that task better than you are doing it now. I can only say, "Keep up the good work." We in Congress need the help of every patriot who will serve as you are serving.

While we are fighting the battle of the mimeograph machines, we must be winning another, more difficult struggle. For over 20 years, the erosion of collectivist government has eaten away at the foundations of our national life. We can go back only as the farmer whose land is eaten away by erosion can bring back his green and pleasant fields. We must go back the hard way. We must rebuild weak places in our foundations. We must change our habits of plowing, plant new grasses, raise a shelter belt of trees, and work and watch and wait until the damage is repaired by healthy new growth.

The simple things are the most important. Most important of all, I would say is, "strengthen the grass roots."

This country will not be saved or destroyed in Washington. It will be saved or destroyed in the country. I say to you, "Rebuild where you are. Strengthen and revitalize America where you have responsibility."

Many of the young men in our Armed Forces are, today, guarding some door the Communists want to open, and doing it alone, without help, because they came from a good American home, where they learned the meaning of our country at their parents' knee.

Your children bring home a text book bought and paid for by your local board of education, but it is a difficult and tedious job to find out where the material in that text book really came from—whether, perhaps, the discussion of social security or foreign policy came from a propaganda agency in Washington, or a slanted fifth columnist on one of the college faculties, or from the Paris office of UNESCO.

Every American has influence on church organizations, on clubs, on schools, in the role of parent, alumnus, or taxpayer, on press and radio. If everyone of us would use the influence we possess at this moment—to its fullest extent—we could achieve a miracle in almost no time.

Don't make the mistake of thinking I propose something easy. That is an illusion. It is much easier to drift along and get all excited about elections, just before election day, than it is to get up extra early one morning, when no one else cares, and go out to vote in the primaries where the real power lies.

For over 20 years we have been taught to keep our sights fixed on Washington, where a magnificent pageant was being presented before our eyes, showing us what the Government in Washington was doing to solve our local problems for us.

But what were the agents of the brave new world doing while we gazed entranced at their spectacles? They were working in your town or city, checking public opinion, sending back political reports to Washington, organizing committees for this, and committees for that, sending the names of local leaders to Washington, so that trusting citizens could be invited by the Government spending agencies to go on a political Cook's tour, a sort of "intourist" visit to foreign parts, and come home and tell their neighbors what wonderful projects they had been allowed to see.

It is true as some of you will say, that you cannot repel a Communist attack by having a strong, truly American PTA. But it will not make the slightest difference how many billions of taxes you give for military weapons, if you have a weakened and corrupted local community which sends to Washington, Senators or Representatives who are soft on communism.

First, I say, build up your local community. Then I say, "Call your money back." Recall it from the Federal Government, from extravagant local governments from overhead organizations in every field. Let us not be sentimental about money. Money is power. It is the power to command the labor of others.

When we give the Federal Government nearly a quarter of our earnings, we give it the power to command nearly one-quarter of the labor power of our Nation—skilled workers, unskilled workers, teachers, physicians, writers, business managers, moving picture directors. Any government which controls almost one-fourth of the labor power of the Nation, will exert a commanding power over the rest.

Control of money gives control of the material aspect of everything in life. You cannot control your schools, your libraries, your public and private welfare, your chance for medical care; you cannot preserve freedom of the press, and the American belief in nonpolitical religious bodies, if you give your money to the Government.

Let us be serious about this business of cutting taxes. The colonists did not demand no taxation without representation to keep a few coins in their pockets, although there is nothing wrong with that. They wanted to hold taxes down, so the control of their lives would be wholly in their own hands, and not in that of a distant bureaucracy. The colonists knew the power to tax is the power to enslave.

Diversion of American productive power from private concerns to Government, will mean the certain end of liberty. We do not, as Americans, have a right to let the Federal Government do one thing that State and local governments or private concerns and organizations can do.

Again you will say, we cannot cut taxes when there is danger of war. I say, we can always examine our tax payments and we can always find waste and overcentralization.

I have not made up my mind about the cuts in the Armed Forces recently recommended to Congress. Our committees are giving these proposals a most thorough investigation. But as a working rule, I am certain the armed services are better off with fewer men, properly organized, than with a surplus of men stepping on each other's toes. Furthermore. I am confident that the top Communist strategists are deliberately using an excess of personnel to keep our Army well below its peak performance. We need every man our military leaders need for fighting forces. But we should look skeptically at plans to increase the personnel of the Army, or its civilian staffs, for any other reason.

I said in a Senate speech on August 15 that too much of our military policymaking is already in the hands of international-minded lawyers, who can graft one-world ideas onto our military policies, as they did to our foreign policy.

I keep hearing of mountains of paperwork which must be prepared by the military services for cost accountants who are trying to distribute the cost of every mimeograph machine or mile of travel among their fancy categories. We need solid accounting of any Government spending, but we do not need fancy accounting which serves no useful purpose, and could be a means of planned confusion and sabotage through paperwork.

I am not criticizing the accountants as such. They may be able and working hard to accomplish something, when that something is not worth undertaking at all.

Americans will give our Armed Forces all the money they need for military purposes, and to provide their men with what they deserve. But we should approve no item of spending and taxation because it is labeled "Defense."

To strengthen the local community and help our people keep more of their own money, one kind of political action is all-important. We need vigorous efforts in every congressional district to prevent the nomination of pro-Communists or those who make a deal with communism, in either party. That is the minimum political step for security of the United States.

But we must go further. We must work to elect men who are vigorously devoted to our country, who believe in strengthening the local community above the Colossus on the Potomac, and who will vote, till it hurts, to keep our money at home.

Your Congressmen and Senators speak for you in the national councils. If you elect men who believe in colossal government, you will get it. If you work hard to elect men who believe our strength lies in our local communities, and not, like an empire, in its imperial capital, then we can once again become a nation of strong, independent citizens, with no overshadowing central government to rob them of their strength.

We must resist with all our strength, the rapid spread of the Communist plague. While we are deep in that struggle—we must also rebuild America. In that task, we have architect's designs of which we are all so proud, the designs left us by the founders of this Nation.

The design in living things cannot be imposed from without. Good seeds must be replanted and allowed to grow again. Our duty is to clear the soil, remove the debris, the weeds, the bad seeds, replant good seeds, and have faith.

If we persevere, I believe we shall one day look back upon the Communist threat as the evil which forced us to reach to the deepest wells of our faith, and so preserved us from the drift to imperial power. We cannot win against the Communists unless we can regain the spiritual vigor on which our liberty was founded. If we meet the challenge, we shall also preserve the Republic of our fathers for generations yet unborn.

Greek Independence

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. ROOSEVELT. Mr. Speaker, we celebrate today the 134th anniversary of Greek independence. It was on March 25, 1921, that Greek patriots, led by Archbishop Germanos, revolted against their Turkish overlords and, in so doing, touched off the flame of rebellion against oppressors which circled the earth to mark the 19th century as the era of liberation.

In thus renewing man's age-old struggle for freedom and independence, Greece was true to its history. Greece has always stood in the forefront of the defenders of democracy; indeed Greece gave birth to both the word and the idea in the days of its ancient glory.

And that this inner urge—this drive—on the part of the Greeks toward liberty, not only for themselves but for all peoples, has not diminished with the passage of time is amply demonstrated by their record in these later days.

Mussolini's Fascist spears were blunted and broken on the rock of Greek resistance. Hitler's legions overran Greece only through an all-out air, sea, and land offensive by vastly superior forces—and

then only temporarily. The Stalin-backed drive against Greek independence was smashed with United States aid, and when the black flag of totalitarianism was raised in faraway Korea, Greece sent soldiers halfway around the world to aid in the battle against the new menace.

As is fitting to nations in whose life streams the urge to freedom runs so strongly, the United States and Greece have a long history of friendship; a friendship that runs from President Monroe, who hearkened to the appeal of the Greek Senate in its earliest days of being, to President Truman, who gave decisive aid against the Communist aggressor.

Nor did our interest stop with the determined support of Greek aspirations that we gave under the Truman Doctrine, for, after that, there was the Marshall plan, the ECA, and point 4 technical assistance.

But there is another aid that we must give to the people of this ancient cradle of democracy—a gift that is perhaps as much spiritual as material. We must put an end to the degrading discrimination against our Greek brethren that is written into our immigration laws.

Greece is overpopulated; it is impoverished by its excess population; yet, under our present immigration quotas, we restrict Greek immigration to a mere trickle. This is a shame to us and a crime against the brave Greeks whose independence day we commemorate today.

Let us make this commemoration meaningful. Let us resolve today that all this shall be changed; that we will make unused quota numbers available to countries that desperately need them, like Greece.

We join our Greek allies in striking over and over at the shackles of inhumanity.

Food Packs and Marketing Methods

EXTENSION OF REMARKS

OF

HON. EDWARD J. THYE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. THYE. Mr. President, I was present this morning at an official introduction program by the Secretary of Agriculture, Mr. Benson, of a pamphlet published by the Department of Agriculture dramatizing to the public the service the public is obtaining in the type of food packs and marketing methods which have been developed over the years by the food retailers. The program was conducted at the Department of Agriculture and was well attended by press, radio, and news cameras. I commend the Secretary of Agriculture, Mr. Benson, for having developed this excellent and informative bulletin on the food-pack question, and for dramatizing it as he did on the program this morning.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the brief address of the Secretary on this program.

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

I am very happy to welcome all of our distinguished visitors to the Department of Agriculture today. I believe we have here in the patio a message that will be of interest to each of you, and to all friends of agriculture.

For too many years, it seems to me, consumers have been bombarded with propaganda about the high cost of food.

The truth is that food today is a better buy than ever before in history.

The material on exhibit is evidence of our intention here in the Department to present the full story of this better buy in food to the public—to consumers, businessmen, and farmers.

The war and postwar inflation resulted in higher incomes for consumers, higher prices for industrial goods, and higher food prices.

That much is true. It is also true, however, that our food prices today are well in line with our incomes.

Today we are eating better than ever before. Our diets are much better than they were 30 years ago. The quality of foods is higher. We have a vastly wider selection. And our foods are available to us in convenient forms—many of them are ready mixed, ready dressed, and ready to serve. Yet we spend no greater share of our income for food than we did 30 years ago. Actually, we would spend much less if we were content to go back to the food habits of the 1920's.

The full story is one of phenomenal service to consumers—on the farm, in our food factories, and in the distributive trades. It is a story that we must tell the American people, and tell it so it will be clearly understood.

Our friend Earl Butz has been going around the country trying to set people straight on this matter. He has been pointing out that despite the many improvements in variety of foods available, in nutritional quality, and convenience of preparation, American consumers today spend the same share of their income for food as was spent as far back as 30 years ago. If you bring it down to what an hour's labor will buy, the picture is even clearer. An hour of labor today will buy almost twice as many loaves of bread, twice as many quarts of milk, and twice as many pounds of steak or chicken, as it did 30 years ago.

Some of us in the Department decided that these facts should be dramatized. We therefore prepared the little booklet that is available here this morning, called More and Better Foods From Today's Pay Check. This booklet tells a story that every well-informed citizens ought to know. The exhibit which we are opening today is an elaboration of the booklet, and we hope that each of you will take a few minutes to study these exhibit panels and the message that they tell.

Several of our friends have already asked what we intend to do with this booklet and this exhibit. I am happy to announce that we have already received orders for over 200,000 copies of the booklet, and more are coming in every day. Some of the leaders in the food processing and marketing field plan to buy the plates from which this booklet was made and reproduce large quantities for their own distribution. I will not be surprised if more than a million copies of the booklet are distributed in this way.

The exhibit will be made available to our cooperators at the State agriculture colleges and in that way we hope its message will be carried clear across the country.

We are also preparing special programs for radio and television stations throughout the country, and of course the booklet has already been released to the press. We hope through these media to get the message to many people who would not otherwise hear about it.

Along with these wholesale methods of distribution, we want to get this story to key people, who themselves will pass it on to others. That is the reason for inviting you here today. We would appreciate your suggestions on how to present this story to all consumers. We also plan to invite other groups here for this purpose.

We are honored to have the Representatives from the Congress with us this morning. Your presence here denotes your interest and concern in the well-being of American farmers and American agriculture as a whole. We hope you will agree that this story is one that needs to be told, and that you will help us in telling it.

Domestic and Foreign Phases of the Dope Problem

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement summarizing a very interesting luncheon which a number of Senators and I held Monday afternoon, March 28, relative to domestic and foreign aspects of the international narcotics problem.

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

STATEMENT BY SENATOR WILEY

Few problems have more aroused American public opinion that that of narcotics addiction among many of our people, particularly many young Americans.

Every Senator who has come in contact in the course of his legislative work with this serious problem has, I know, felt a keen sense of obligation to try to stamp out the insidious narcotics menace.

Each Senator has felt, as I have felt, the need for a continued, determined antiaddiction drive on a sound, carefully planned basis. Each Senator has felt the need for accurate reporting of the problem, accurate, I emphasize, not sensationalized reporting, but rather down-to-earth, factual analyses of the situation as it really exists.

I personally have come in contact with the narcotics evil on many fronts. I have confronted it as a former member of the Kefauver Senate Crime Investigating Committee; as a current member of the Senate Judiciary Subcommittee on Juvenile Delinquency; as a former chairman of the Senate Foreign Relations Subcommittee on the International Opium Protocol, and in other connections.

ORIGIN OF LUNCHEON MEETING

I felt that it would be helpful, therefore, to sit down and confer with the Government official most familiar with the problem, Commissioner Harry Anslinger of the Narcotics Bureau of the Treasury Department, and to have present other Senators who are likewise interested in the problem, as well as representatives of America's medical and pharmaceutical professions.

And, so I arranged for the meeting on Monday afternoon.

MANY SENATORS PRESENT

We had a splendid turnout of Senators in spite of a crowded Senate calendar and other meetings.

My colleagues present included Senator PRICE DANIEL, of Texas, who is chairman of the Senate Judiciary subcommittee which is going to make a comprehensive review of the narcotics statutes;

Senator HERMAN WELKER, of Idaho, and Senator JOSEPH O'MAHONEY, of Wyoming, who are members of the Daniels Subcommittee on the Narcotics Code.

Other Senators present included Senators MANSFIELD, of Montana; SPARKMAN, of Alabama; MURRAY, of Montana; KUCHEL of Californian; HICKENLOOPER, of Iowa; DWORSHAK, of Idaho; MARTIN of Pennsylvania; KEFAUVER, of Tennessee; GREEN, of Rhode Island; WILLIAMS, of Delaware; HAYDEN, of Arizona; and HUMPHREY, of Minnesota.

PRIVATE REPRESENTATIVES PRESENT

We had an outstanding representation of members of the medical and pharmaceutical professions.

Mr. Frank Kuehl, general counsel, American Medical Association; Dr. Theodore G. Klumpp, president, Winthrop-Stearns Co. (also president of National Pharmaceutical Council and chairman of Medical Services Task Force, Hoover Commission); Dr. R. P. Fischelis, executive secretary, American Pharmaceutical Association; Mr. George H. Frates, Washington representative, the National Association of Retail Druggists; Dr. J. O'Neil Closs, executive vice president, American Pharmaceutical Manufacturers' Association; Dr. Karl Bambach, executive vice president and secretary, American Drug Manufacturers Association; Dr. John Worley, general counsel, American Drug Manufacturers' Association.

OTHERS PRESENT

Also present were Dr. Frank Berry, Assistant Secretary of Defense, who commented on the problem as viewed by the Defense Establishment; Mr. George Cunningham, Assistant to Commissioner Anslinger, of the Narcotics Bureau; Mr. Merton Henry, legislative assistant to Senator Frederick Payne of Maine (author of Senate Joint Resolution 19—to tighten the narcotics laws); and Mr. Julius N. Cahn, counsel of the Senate Committee on Foreign Relations, who had helped me set up the meeting.

The luncheon today happened to coincide with a White House luncheon for Prime Minister Mario Scelba, of Italy, and I had to leave after making certain introductory remarks.

I am delighted to say, however, that my colleague, Senator DANIEL, very graciously offered to serve as chairman in my absence, and from all reports, he did an outstanding job, as I had fully expected.

MAJOR POINTS STRESSED

I will not attempt to cover all of the important points which were made in the course of of the informal luncheon discussion. I think, however, that some of the following points were notable:

1. Commissioner Anslinger stressed the importance of halting the narcotics traffic at its foreign source, rather than waiting to try to intercept the dope at ports of the United States, which is extremely difficult, or inside the United States which is infinitely more difficult.

2. He stressed the importance of stiff penalties being meted out by judges in order to dry up the illicit narcotics traffic.

He cited several dramatic instances where, in particular commmunities when judges started handing down stiff sentences for repeated trafficker-offenders, the local drug problem tended to dry up.

3. At the same time, Commissioner Anslinger emphasized the importance of very carefully writing and administering the narcotics laws so that it is the professional trafficker who feels the full brunt of those laws, while other offenders—technical violators, individuals who may get accidentally enmeshed, one-time offenders, addicts, and others, are handled in a careful, firm, yet understanding way.

4. Dr. Klumpp spoke briefly and praised Commissioner Anslinger as the greatest single bulwark against the illicit narcotics traffic throughout the world.

He emphasized the splendid working relations which the medical and pharmaceutical professions have always had with the Narcotics Bureau.

5. Many of those present emphasized that in their judgment, the Narcotics Bureau should definitely be retained in the United States Treasury Department.

They pointed out that to attempt to transfer the Bureau might endanger the constitutionality of present narcotics laws (which are predicated in major part upon the administration of tax statutes). A transfer might also seriously disturb long established working relationships between the Bureau and the medical and pharmaceutical industries.

6. Commissioner Anslinger stated that the postwar upsurge in narcotics addiction could in no way be traced to the medical or pharmaceutical professions. He commented that both professions have handled their public responsibilities in an outstandingly commendable way and have always given him complete cooperation.

7. Dr. Berry commented upon the problem as encountered by the Armed Forces in the Far East. He stated that the level of addiction among some of our troops was lower last year than in 1953 and he believes that it will be lower this year than it was last year.

8. The question of the proposed transfer of units of the U. N. Narcotics Division from U. N., headquarters in New York, to Geneva came up. It was the consensus of those present that the proposed transfer is extremely unwise.

It was felt that there is a tremendous value in keeping the U. N. narcotics work centered in the United States where the fullest force of world public opinion can be mobilized against any offender nations, such as Red China. Commissioner Anslinger cited how, thanks to constructive activity on the part of the U. N. Narcotics Commission, several countries took effective action against dope factories which have been running full scale. As a result, these countries ceased to be centers of illicit narcotics production. Regrettably Red China continues to violate the conscience of the world.

9. In response to a Senator's question, Commissioner Anslinger mentioned that there are available in the Narcotics Bureau 250 agents. By contrast, the two principal local narcotics squads available to two major metropolitan police forces number 200 in New York and 80 in Los Angeles alone.

Several of the Senators present stated that in their judgment, sympathetic consideration should be given to expand appropriations for the Narcotics Bureau in order to carry on its vital work.

10. It was stressed that the medical and pharmaceutical industries have an indispensable need for narcotics supply in the course of their regular work.

The general public may not realize what an essential role is played by legitimate narcotics, as for example, to relieve shock in emergency cases, as well as for innumerable other medical and scientific purposes.

Such bonafide use is, of course, completely in contrast to the use of a terrible narcotic such as heroin—which is so dangerous a drug that it has been literally outlawed by the United States and virtually every civilized country in the world, with but five unfortunate exceptions.

CONCLUSION

11. It was stated that President Eisenhower's Inter-Departmental Cabinet Committee on Narcotics is now hard at work in formulating various proposals and future action.

Senator DANIEL concluded by inviting the cooperation of all of the participants present in contributing to the work of his subcommittee, whose opening hearings will be announced at an early date.

Address by Hon. William E. Jenner, of Indiana, Before Indiana State Bottlers Association, Indianapolis, March 14, 1955

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a speech delivered by me before the Indiana State Bottlers Association in Indianapolis on March 14, 1955.

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

ADDRESS OF HON. WILLIAM E. JENNER, OF INDIANA, BEFORE STATE CONVENTION INDIANA STATE BOTTLERS' ASSOCIATION, INDIANAPOLIS, IND., MARCH 14, 1955

You have many problems before you at this meeting and you should have time for fun. Why then do you add politics to the list of matters to consider in your limited time?

The answer is obvious. If you wish to have freedom to run your business, you are of necessity in politics. Nothing quivers with the political winds more than a balance sheet.

You and your organization are the embodiment of free enterprise. Many of you started your own businesses. You enjoy the combination of responsibility and freedom. The headaches are headaches you chose yourselves as the price of managing your own affairs.

You may not think about it, but your right to run your own business is a political right. It is the right to have a Government which operates within limits. When your Government has broken the bonds which hold it within fixed limits, when the executive branch has undreamed of amounts of money, broad legislative powers through directives, and even the judicial power to decide appeals from its edicts, it is no longer limited Government.

When the Government controls minimum wages, or wages in Government contracts, or collective bargaining obligations, or trade union organizations or dividends and depreciation allowances, "free enterprise" is on a leash. It is becoming an obedient satellite of big Government, no longer is each enterprise an independent Republic, as our private agencies used to be.

Many Americans are aware of this growing danger, but they cannot get a clear idea of what to do about it.

Some of them cherished the innocent hope that a change of parties or a change of candidates would halt the growth of the new Leviathan. Now we know the remedy is not so simple as that. A few people are tempted to give up the fight.

Today, big Government operates through so many diverse activities that it seems almost hopeless to oppose its growth. But all those operations are controlled by a few key switches. If we can find the master switches, we can stop the growth of big Government and cut down the colossus on the Potomac.

THE MASTER SWITCH OF GOVERNMENT POWER

I want to tell you what is the most hopeful fact in our political dilemma today. The master switch is taxes. If the American people will put their minds on taxes, they can quickly master their domestic problems.

A few days ago I read in the morning paper that the Federal Government had garnisheed the salary of an employee who owed back taxes. The story said that the Government had withheld the entire salary of the employee for the current month, and intended to continue withholding every penny of his earnings until all the back taxes were paid.

I do not know the individual case. The employee may have been shiftless. He may have had illness or other personal troubles, or he may have had a dispute with the income-tax people over what he owed.

What disturbed me was the shocking sadism of taking every penny of an employee's income at once—his rent, his food, his carfare—when it would have been just as easy to collect 10 percent of his salary over a longer period of time. If the trouble had been illness or other mishap, the trail of further breakdown or heavy debts to the moneylenders was only too clear.

I tell this story because Americans of today do not yet know what the Colonists knew. All tax collections are cruel. Our tax-collecting agencies have so far been very tactful, and they have been working in a period when the American economy had plenty of fat. The tax knives have just begun to cut to the quick. We are just beginning to know, what every age before us has seen clearly, that tax-collection is a cruel and ruthless business, which will bring hatred and sadism into our country such as we have never known in all our history.

The taxgatherer is the most hated man in popular story. The publican was despised and hated in the days of Christ. Rudyard Kipling tells us of the princely states of India where the tax-gatherers waited at the farm until the kid was born, so they could take the farmer's only hope of more income, for taxes to pay for the prince's follies.

I am going to talk about taxes. But let us never think taxes are cold statistics. Taxes are a gigantic screw which turns and turns, and squeezes more and more blood from the helpless embittered farmer or worker or businessman to pay for the Government's follies.

THE FOLLIES OF GOVERNMENT SPENDING

We do not have time to discuss the follies of Government spending but let me refresh your memories.

I have before me a memorandum that we have just allocated $23 million to Egypt. A few days ago it was Yugoslavia. The latest allotment to Egypt is to be used for construction, by American engineers, of a highway between Cairo and Alexandria, for improvement of the water supply in the Nile, for improvement of the port of Alexandria, and for a new workshop for the Egyptian Minister of Public Roads.

At the same time, the State of Israel received $3½ million for equipment, and Pakistan the same for chemical supplies.

These are all worthy projects, but why should an American workingman have his entire salary garnisheed, to pay for Government programs in Egypt or Israel or Pakistan?

THE STORY OF TAXES

Now, let us go back to taxes.

In the fiscal year 1932, which was the lowest point of the great depression, the Federal Government collected the record total of $2 billion in taxes. In that year, however, the Government, through RFC, was shoring up the banks, the farms, and State emergency relief expenditures.

In 1939, after 7 years of the great experiment in making America over, Federal taxgatherers were collecting over $5 billion a year, an increase of over 250 percent over the worst year of the depression.

Then came the most destructive war in history. The United States was turned into an arsenal filling pipelines, pouring rivers of food and equipment to every continent.

By the war's end Federal tax collections had climbed to an unheard of $46 billion.

But war is the great destroyer. We had an Armed Force of over 10 millions consuming gasoline, ammunition, tanks, planes, ships, shoes, steaks, and everything else. We were also giving billions to scores of other Nations in the coalition against the Nazis. The U. S. S. R. alone was given some $12 billions.

How much is the Federal Government collecting from us today? If $2 billion were enough for the depression, if $5 billion were enough for all spending of the socialist planners, if $46 billion were enough at the peak of a devastating war, how much are we giving the Government today, with no war and no depression? Not $1 billion, not $5 billion, not $46 billion, but $73 billion were taken from the American people in fiscal year 1954.

Let me give you a few more figures.

In 1932 the interest on the public debt was $600 million. Herbert Hoover was bitterly denounced for such extravagance. By 1953 the interest burden alone was $6½ billion. Remember that as long as we do not pay that interest, but add it to the public debt, we will go on paying for it not 1 year but every year for generations yet to come. We have already paid interest for 21 years on the debt the Government incurred for NRA, AAA, and relief in the first year of the New Deal, and no one knows how long this waste will go on.

It is estimated that the deficit for the year 1934 alone, which was $760 million, has already cost us $483 million more, in interest payments, with no end in sight.

What can we do about it—if we are serious and want to do something?

WHAT NOT TO EXPECT

First, let me tell you what will not help.

I am not interested in the conversation about a balanced budget. Once upon a time a balanced budget was a restraint upon executive power. That was true when it was hard to raise taxes, when our people resisted tax increases as vigorously as the colonists did. "Taxes" used to be a fighting word to Americans.

Taxes were the anchor which held down spending as soon as the budget was balanced. But our Government spenders put a jet engine on the old anchor. They learned that it was easy to raise taxes if they spent part of the money for the Government's propaganda machine. You remember the phrase, "Tax and tax, spend and spend, elect and elect."

The spenders realized years ago that an unbalanced budget was the road to higher taxes. Congress raised taxes in the pious hope the budget would be balanced, but the spenders quietly sent spending up higher than ever, while the propaganda machines told the people what to think. The fetish of a balanced budget is now the palace guard's best instrument for collecting in peacetime far more taxes than they dared collect in war. The problem is not to fit taxes to spending but to cut taxes first and fit spending to a much lower income.

I can tell you another hope that will not materialize. That is waiting for Congress alone to cut spending.

The administration has about 2½ million employees. Congress has a staff of 4,700 people.

That gives you a picture of the unbalance between the executive and the legislative branches. It is a hopeless contest for a Congress with 4,700 assistants to cut the expenditures of an executive branch with millions of fulltime professional workers whose first responsibility is to keep spending high.

CONGRESS MUST HAVE HELP

Now, is there a remedy? Yes, and a simple one.

The key to our present shocking tax burden is the tax increase that was put through in 1951 under cover of the fighting in Korea.

The war that was not a war was a fine excuse for a big new tax bill.

The Government did not need that huge increase in taxes in 1951. I knew how much fat there was in the budget. I knew extra taxes would be money down the drain. I did not vote for the bill, but I did not try to build opposition to it. Why? Because no one could hope to defeat the Government's propaganda machine without support from the taxpayers. They still believed in fairy tales. What, then, can we do?

Congressman Hatton Sumners, of Texas, wrote an article for Reader's Digest in 1945. He had been the distinguished chairman of the House Judiciary Committee, and a vigorous opponent of the unconstitutional growth of executive power. Judge Sumners said Congress would never be able to attend to its own proper business, until it gave back to the States and local organizations, the responsibilities which belonged to them under the Constitution.

The first responsibilities of Congress are foreign policy and military policy. It is not the business of Congress to legislate on cancer, lunches for schoolchildren, depreciation reserves for new machinery, corporate dividend payments, giving or withholding Federal funds for private school buses, collective bargaining, or making up the cost of unbalanced budgets in France.

REVIVAL OF STATES RIGHTS

Congress has become involved in all this busy work because the spenders wanted Congress kept too busy to think. And how well they have succeeded.

I say to you that the first business before Congress is to cut out the busy work. We need a congressional commission to determine what powers and duties Congress should release at once, and what taxes it should reserve to State and local agencies so they can pay for what they need.

The Congress should have established such a commission in 1953, but it hesitated. The executive branch established a special commission under Dean Clarence Manion, a very able man for the job, but he was retired, and Congress has no more information today than it had in 1952.

Where do you come in? Well, a pitcher cannot win the game unless there are also a few good catchers on the team. Congress cannot rid itself of the incubus of deciding on State and private matters, unless the States and local agencies are as eager to uphold their rights as Congress is to adhere to the principles of a Federal Republic.

Are our State and local leaders ready to demand the powers the Constitution guaranteed to them forever?

Too many of our governors have been bewitched, bothered, and beguiled, by the colossus on the Potomac. They hope that, by deference to the powers that be, they can share in the apparently endless streams of wealth which Federal officials can spend. But where does that wealth come from? It comes from the billions which were collected from the people of Indiana and the other States.

Do you see why I said recently I did not want to see the governors of our sovereign

States going to Washington with a tincup in their hands, to ask the Federal Government to please give them back a little bit of their own money?

We are going to have to face this question very soon in the issue of Federal aid for school buildings.

There is a growing school population, but there is not the slightest particle of evidence that our States and cities cannot supply their own children with all the buildings they need. Watch the stories in the newspapers about a report of the Committee on Intergovernmental Relations which apparently says, "We have been unable to find a State which cannot afford * * * to support an adequate school system." That report has been suppressed. Why?

You will tell me it is hard for the legislature of Indiana to pay more taxes. Of course, it is hard. In Indiana we meant to make it hard for governments to spend. The Constitutional Convention meant to make it hard for the Federal Government to spend. If Indiana does not supply its own school buildings, it is asking Congress to use printing-press money, and raise still higher a Federal debt which is already close to $280 billion and rising.

For once we have a problem where the line of action is clear and simple. We can solve the problems of big spending, growth of centralized control, and the withering away of the States, if we return to two principles of our Founding Fathers—low taxes and States rights.

Congress cannot function, and the Constitution cannot be preserved, if the spenders in both parties make our States into lackey States and our governors into servitors milling about the palace guard.

CONGRESS AND THE STATES CAN RESTORE THE REPUBLIC

Congress can function, the Constitution can be preserved, and we can free our energies to meet all our foreign problems, if the people of our country will unite with Congress in an irresistible demand for tax cuts and States rights.

It is my hope that, in this rededication to the principles of our founding, the people of Indiana will lead the way.

The Civilian Conservation Corps After 22 Years

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement prepared by the Legislative Reference Service of the Library of Congress concerning the Civilian Conservation Corps, which was set up 22 years ago in April as an emergency measure to meet some of the difficulties of many of our people. The results of the program are still visible through the millions of acres of land cleared and forests planted by members of the CCC.

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

THE CIVILIAN CONSERVATION CORPS AFTER 22 YEARS

Many whose memories go back a quarter of a century, or more, recall Franklin D. Roosevelt's dramatic flight to Chicago on July 2, 1932, and perhaps something of what he said when he accepted the Presidential nomination tendered by the Democratic Party, then in session. This Nation was in the depression following the stock market crash of 1929. Men were out of work and a foreboding sense of uncertainty was everywhere. It was natural, therefore, that a wave of hope followed the voicing of a plan for a great public-works project of forest and land restoration for relief of the unemployment that plagued the country. The idea gripped the imagination and proved dynamic.

The President lost little time before he laid the plan before Congress. Ten days later, on March 31, 1933, the President signed the Emergency Conservation Act which authorized him to establish a nationwide chain of camps where unemployed young men could engage in various forms of forest and land improvement.

The first Civilian Conservation Corps camp was established on April 17, in the George Washington National Forest near Luray, Va. It was appropriately called Camp Roosevelt. By July of that year, there were 1,500 camps on mountain side and meadow from the Atlantic to the Pacific and from the Canadian border to the Gulf of Mexico. Others were added until they were located in every State and Alaska, Hawaii, Puerto Rico, and the Virgin Islands, to the number of 2,600.

The boys came from all parts of the Nation, but most of them were from the cities. Many were undernourished, discouraged, and filled with fear. Their education and their experience were largely limited to what was available in a life confined to city buildings and paved streets. After enrollment they were in the midst of a new environment. Out in the open, surrounded by nature, they built camps, hewed trails, laid roads, strung telephone lines, constructed bridges, built airplane landing fields, dug drainage ditches, fought forest fires, and faced a thousand tasks, such as had never entered their wildest dreams. All were volunteers. Their life and their responsibilities were conducted without military obligations or implications. More than that, an enthusiasm carried them through their daily duties, such as warranted the judgment that the CCC had provided a moral equivalent for war.

For a little more than 9 years, Civilian Conservation Corps camps and their leaders helped young men to find themselves. Few maintained their enrollment for more than a year and at no time were more than 385,000 in the camps. But during those years the CCC gave health, purpose, and self-respect to 3 million young men.

Much of their work is still visible. Millions of acres are prosperous today because of what they did. Three million acres are growing trees because they planted them. More than 4 million acres of forest have cleaner and straighter trees because those boys cut out the crooked and diseased ones. Another 8 million acres are in good condition because their crews stopped the spread of insect pests and tree diseases, and countless acres are green because they fought forest fires on them. Other millions of acres of grassland were saved from erosion because they built check dams and dispersed the prairie dogs. As part of all this, millions of people can thank the CCC boys for the picnic spots and the camping areas they enjoy, for ponds in which to fish and for better environment for a large portion of our wildlife.

All this was done for the earth, the trees, the watercourses, and the wildlife. It is as nothing, however, compared with the benefits received by those young men and their dependents. Added to the good food and healthful surroundings provided by the camps, was the individual stimulus and discipline always present when young men are thrown together. Much credit for this can be given the young officers and technicians who lived and worked with them. But these men, in turn, gained experience in managing camps and directing men that paid big dividends when the Nation faced the crisis created by the attack on Pearl Harbor. Thereafter, the Armed Forces had priority.

Being no longer necessary, the Civilian Conservation Corps was ended on June 30, 1942. It will long be remembered as a successful effort of a democratic nation to help meet some of the difficulties of its people.

Decline in Farm Incomes

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished junior Senator from Michigan [Mr. MCNAMARA] on the subject Michigan Farmers Await Action by Congress To Combat Declines in Farm Income.

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

MICHIGAN FARMERS AWAIT ACTION BY CONGRESS TO COMBAT DECLINES IN FARM INCOME

(Statement by Senator MCNAMARA)

The farmers of Michigan are waiting for a message of hope from Washington.

For many of our smaller farmers, who nationally account for 98 percent of our farms, the continued drop in farm income means hardship and sacrifice. This is particularly true when lower farm income has to be shared with unemployed workers, forced by unemployment to return to the farms from their city jobs.

For city workers, the drop in farm income means fewer customers, at a time when more and better customers are needed for the growing production of our factories and mills. For them, it means unemployment and wasted opportunities.

In the interests of all of us, Congress must not dawdle. We must act quickly to protect our farm families directly, and through them all of us.

According to the Department of Commerce, farm income in January of this year (the latest figures available at this time) was at a rate of slightly more than $15 billion per year. This is the lowest figure for any January since the end of World War II. It is the annual rate that is almost $2 billion lower than in January a year ago.

This decline in income does not hit all farmers the same way. It does not mean the same thing for those few who own the biggest farms as it does for the great majority.

My concern however is with the majority, the men and women who work the smaller farms which make up 98 percent of the farms in America. For them, a cut in farm income may mean an immediate sacrifice of something the family needs and has planned for. It means giving up a hoped-for improvement in family living, perhaps even some family necessity.

In 1953, when the decline in farm income had begun to draw serious attention to itself, staff people at Michigan State College interviewed Michigan farmers to find out what changes in their plans were being forced on

them. Here is part of what these interviews showed:

Fifty-three percent of those interviewed were planning to spend less for new farm machinery.

Many others were cutting expenditures for second hand machinery.

A third of those answering the questionnaire were planning to spend less on new buildings and on overhaul jobs.

There was less interest in proper farm methods, such as applications of lime, purchases of good seed, and improvement of stock than in the past.

Other studies made at the same time showed that farmers were postponing purchases of furniture, automobiles, and freezers as well as other household appliances.

In my opinion, the most regrettable fact revealed by these studies was that many farm children were not going to get the educations that had been planned for them.

What new postponements and new sacrifices are being dictated by the continued declines in farm income I can only guess, since I can find no recent studies that tell what they are.

The fact of these sacrifices is underlined by the decline in income per capita. According to the Department of Agriculture realized farm income per capita in 1954 was $903, a drop of $46 per capita of farm population since 1953.

The drop in per capita income might not have been so great if the usual number of farm people had been able to move to the cities for jobs. However, with unemployment in the cities, many who would have left the farm stayed home, and many who had been laid off in the cities went back home. And these people were taken in and cared for, whether they brought with them a proportionate increase in farm income or not.

During the worst of the unemployment in Michigan last year, the labor force in Detroit declined by more than 40,000 workers. There is no doubt in my mind that a great many of these workers took their families back to the farms of America. If these workers and other thousands like them escaped from acknowledged unemployment in the cities, they added to the concealed unemployment and the underemployment on our farms.

Those of us who have spent our lives in the great cities are deeply concerned with this problem of farm income. We are concerned as neighbors have always been concerned with each other in America. We know also that whatever hurts the farm dweller immediately hurts us. Unless farm and city move forward vigorously together, we share the aches and pains of uncertainty and economic stagnation. For these reasons, we stand ready to help as soon as the necessary leadership is forthcoming and a challenging program has been offered.

I know that there are bills before this Congress to establish farm policy which would assist those who most need assistance to create machinery for getting surplus farm products to those who need them, to create additional buying power among city and farm people. I have the honor to be among the sponsors of some of the proposals.

I hope that these proposals, and whatever additional plans are needed will soon get the vigorous and earnest attention from this administration that they require. The administration may rest assured that, regardless of party label, the Members of this body are prepared to do whatever the welfare of the farm family dictates.

It may be that some of the steps that must be taken will require the present Republican administration to support plans very much like some that previous Democratic administration proposed. There is already evidence that this will be necessary. However, I am sure that this will not stand in the way when the facts show what action must be taken. We must, all of us, work together if this great problem is to be adequately met.

World Veterans Federation and Peaceful Control of Atomic Energy

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. WILEY. Mr. President, on many occasions I have commented on the critical problem of harnessing the atom for peaceful purposes.

I expect to remark on this very important question on future occasions as well.

I was interested to read in the current issue of the magazine the World Veteran, published by the World Veterans Federation, an editorial on the vital significance of utilizing atomic energy for peace.

Certainly, in all the world, no group has a higher stake in peaceful development of the atom than those who themselves bore the brunt of previous global conflict—those who know from first-hand experience what war can mean and has meant.

Last year, we sent to Vienna, to the fifth general assembly of the federation, a fine delegation of American ex-servicemen. They joined with veterans of many other countries in passing upon issues of great importance to the peoples of the world.

I ask unanimous consent that the text of this federation magazine editorial be printed in the CONGRESSIONAL RECORD, and that it be preceded by the masthead statement of the magazine describing the purposes and composition of the World Veterans Federation.

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

The World Veteran, is published monthly by the World Veterans Federation whose main aims are support of the United Nations and aid to disabled veterans. The WVF includes 121 veterans' and war victims' associations in 29 countries, with a combined membership of 18,100,000. Nations represented are Australia, Austria, Belgium, Brazil, Canada, Ceylon, Denmark, Egypt, Finland, France, the Federal Republic of Germany, the Gold Coast, Great Britain, Greece, India, Indonesia, Israel, Italy, Luxembourg, the Netherlands, New Zealand, Nigeria, Norway, Pakistan, the Philippines, Thailand, Turkey, the United States and Yugoslavia. WVF has consultative status with the United Nations Economic and Social Council and with the Council of Europe. As a member of the International Committee of Non-governmental Organizations for the United Nations Children's Fund, it also has consultative status with UNICEF. Messages in support of WVF have been received from Queen Elizabeth of Great Britain; Queen Juliana of the Netherlands; the Grand Duchess Charlotte of Luxembourg; Presidents Theodor Koerner of Austria, Sir Ba U of Burma, Joao Cafe Filho of Brazil, René Coty of France, Theodor Heuss of the German Federal Republic, Izhak Ben-Zvi of Israel, Luigi Einaudi of Italy, Ramon Magsaysay of the Philippines, Celal Bayar of Turkey, Dwight D. Eisenhower of the United States, Marshal Josip Broz Tito of Yugoslavia; Governors General Sir Oliver Goonetilleke of Ceylon, Sir Charles Arden-Clarke of the Gold Coast and Ghulam Mohammed of Pakistan; Prime Ministers Robert Gordon Menzies of Australia, Achille van Acker of Belgium, Louis St-Laurent of Canada, Sir John Kotelawala of Ceylon, Hans Hedtoft of Denmark, Dr. Kwame Nkrumah of the Gold Coast, Sir Winston Churchill of Great Britain, Marshal Alexander Papagos of Greece, Pandit Jawaharlal Nehru of India, Ali Sastroamidjojo of Indonesia, Nouri es Said of Iraq, Mario Scelba of Italy, Dr. Willem Dress of the Netherlands, Oscar Torp of Norway, Sidney J. Holland of New Zealand, Mohammed Ali of Pakistan and Pibul Songgram of Thailand; Dr. Eelco van Kleffens, president of the Ninth General Assembly of the U. N.; Dr. Dag Hammarskjöld, secretary general of the U. N.; Dr. Ralph Bunche, 1950 Nobel Peace Prize winner; David Ben Gurion, Mrs. Eleanor Roosevelt, Adlai Stevenson and other outstanding public figures.

WVF Executive Board: President, Albert Morel; secretary general, Curtis Campaigne, Jr.; treasurer general, W. Ch. J. M. van Lanschot; vice presidents, Gen. Miloje Milojevitch and Pietro Ricci.

The World Veteran is the official publication of the World Veterans Federation. However, opinions expressed in articles signed by outside contributors are those of their authors and do not necessarily represent the viewpoint of WVF.

Editor, Curtis Campaigne, Jr.; managing editor, Mary Burnet; assistant editors, Jacques Boetsch, Roland Jauzan, Edgar Joubert.

Office: 27, rue de la Michodière, Paris (2°), France. Tel.: Richelieu 88-06.

ATOMIC ENERGY FOR PEACE

On December 4 the General Assembly of the United Nations unanimously adopted a resolution recommending international cooperation in the peaceful use of atomic energy and envisaging a series of measures intended to help bring it about.

Recalling President Eisenhower's speech on the subject a year before, the resolution provided for the setting up of an international atomic energy agency and invited all members of the U. N. and its specialized agencies to attend a congress for that purpose in August of this year.

The conference will give particular attention to the production of energy and to the applications of discoveries in nuclear physics to medicine, biology, agriculture and industry. Preparations are already being made by an organizing committee consisting of representatives of Brazil, Canada, France, Great Britain, India, the Soviet Union and the United States.

Although Russia consented to take part in the work of the committee, the Soviet representative, Arkadi Sobolev, nevertheless let it be known that his vote in favor of the resolution was chiefly a token of encouragement. It did not imply, he said, that his government was abandoning the principles underlying the two Russian amendments that had been rejected in the discussion preceding the assembly vote. The effect of one of these amendments would have been to place the agency under the authority of the Security Council, thus introducing the principle of the veto, to which the Western Powers were firmly opposed. On the other hand, since Mr. Sobolev made his statement the U. S. S. R. has proposed to make available to U. N. members full information about its atomic plant for producing electric power.

Whatever the result of the negotiations, the next few months will probably witness acceptance of the idea of pooling atomic knowledge for peaceful purposes, with or without the participation of the U. S. S. R. In the beginning, at least, the agency will perhaps be nothing more than a kind of "clearing house" for the atom, organizing and directing the transfer of fissionable materials.

The United States has already offered 200 pounds of such material, and Great Britain has pledged 40 pounds. These figures are considerable. With 2 pounds of uranium a generating plant could produce enough electricity to furnish a city of 100,000 inhabitants with light and heat for a year and a half. Together, the United States and British contributions represent the equivalent of 300,000 tons of coal. In future years, the fission and fusion of the atom should help considerably to supply the growing need for energy throughout the world—at a time when coal and oil reserves are beginning to run low.

There is no need to fear a shortage of raw materials for atomic power production. It has been estimated that the known deposits of uranium alone can provide enough energy for 5,000 or 6,000 years. Meanwhile, there exist considerable stocks of fissionable materials immediately available in the form of atomic bombs. It is technically possible to reconvert them and to use their immense energy in developing industry and agriculture.

The next step is up to the statesmen. The atomic energy program involves infinitely more than itself. It involves all international relations. Its success would constitute a pledge of peace; its failure would rekindle the fear of world conflict, and rightly so, for the history of the second half of the 20th century will be, in large part, the history of man's relations with the atom.

The World Veterans Federation has repeatedly pointed out that the atomic energy problem must be solved first if the world is to have a solid foundation for peace. Last fall, at its fifth general assembly in Vienna, it adopted a resolution urging implementation of the Eisenhower proposal. The resolution noted that the plan had already been endorsed by statesmen and other prominent personalities in numerous countries, and that "the test of hydrogen bombs has created a fear throughout the world" which makes it "even more imperative" to go forward with this or some similar plan—"in order that the stupendous force released by nuclear fission be utilized for the benefit instead of the destruction of mankind."

For while the great discovery of the 20th century can lead man to his ruin, it can also bring him prosperity, protect and prolong his life.

Minimum Wage Legislation

EXTENSION OF REMARKS

OF

HON. LESTER HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HOLTZMAN. Mr. Speaker, today I am introducing a bill which will provide for an increase in the minimum wage to $1.25 per hour, reduce the maximum workweek, and extend the coverage of the Fair Labor Standards Act. This measure is identical with the one I introduced in the House of Representatives during the 83d Congress.

The President has recently urged the Congress to increase the minimum wage to 90 cents per hour. Such a recommendation is inadequate at the present time in view of the continuing rapid rise of living costs, and certainly does not take into consideration increased worker productivity. There is no question about the fact that since 1938 the minimum wage has failed to keep up with the cost of living. The unemployment figures for 1954 are shocking, and with a steadily increasing labor force each year, it is imperative that the Federal Government take concrete action to improve the economic plight of thousands of low-wage earners, who are unable to maintain themselves and their families during times of economic adjustment.

Recently in New York a conference of shop stewards—representing some 500,000 CIO members in New York City—was held to take action for the passage in Congress of bills introduced to increase the hourly minimum wage to $1.25.

Two resolutions were adopted unanimously at that conference; one calling for the enactment of legislation to increase the Federal minimum wage to $1.25 per hour, and the other calling for the extension of minmum wage covcrage to the retail industry.

A $1.25 hourly minimum wage would put a realistic floor beneath current wage levels, and would prevent the exploitation of substandard, seasonal, and low-wage workers. In addition, it would bolster our national economy by creating more purchasing power, bettering our standard of living, and contributing to full employment.

I urge my colleagues to consider this legislation seriously, and to work for its early enactment.

Propriety of Debating in Colleges the Recognition of Red China by the United States

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 28, 1955

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement issued by me in reply to an inquiry received from a college professor with regard to the propriety of debating in the colleges the recognition of Red China by the United States.

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

DEBATING RECOGNITION OF RED CHINA

DECEMBER 6, 1954.

DEAR PROFESSOR: I am glad to give you my opinion of the question whether college students should debate the question of diplomatic recognition of Red China.

If this were only an academic issue, a topic chosen strictly for its academic value, I should, of course, say there is no reason why it should not be debated. Is it, however, purely an academic issue?

In hearings before the Internal Security Subcommittee John Powell and William Howard Hinton testified that they had remained voluntarily in Red China after the Red Chinese made war on us in Korea. Powell edited one of the magazines used most extensively in brainwashing our men held captive by the Communists.

Hinton and Powell both refused to answer questions before our subcommittee on their present activities in this country. They are both here now on speaking tours at which they give forth the propaganda line in favor of Red China—peace, trade, and coexistence. Hinton brought in a large amount of printed material, which was confiscated by the United States customs.

I have no doubt that a carefully planned campaign is being carried on to propagandize for Red China among students, teachers, church people, farmers, labor unions, and business groups.

Many innocent people are helping to further it without realizing the purpose of the propaganda. This campaign is timed to coincide with moves in our Government and in U. N. for softening our attitude to Red China.

The Communists know that constant discussion helps to keep the issue in the public eye, accustoms people to accept a strange, unpleasant idea without thinking, and otherwise makes recognition palatable. It is the old story of drops of water wearing away a stone.

The propaganda is probably timed to coincide with publication of a crop of books and articles on Communist China, putting the propaganda line in many most enticing forms.

That was the technique used after 1943 through the IPR and other public and private agencies to persuade Americans that the Chinese Reds were simple agrarian reformers. This is how they persuaded some people that the United States must insist the Chinese establish a coalition government with Mao Tse-tung.

We obtained full proof of the collusion between American pro-Communists and those in Soviet countries through the IPR hearings years too late to stop the damage. We obtained full proof of the collusion in the Korean peace settlement through the hearings on General MacArthur and other testimony under oath, but it came too late. We shall have formal legal proof of the campaign to whitewash Red China, but not while the political decisions are being made.

Nevertheless, nothing is gained by opposing the use of this topic in college debates. Instead, I think American students and teachers should get into the argument with everything they have—read every book and article, debate every issue, marshal all the evidence, clarify their understanding, and hold on with fierce determination until every student and teacher who has been exposed to Communist propaganda (however skillfully disguised) has a chance to learn the full story. If the Communists want a debate on Red China, they should get it. If they want to propagandize for Red China, we can prove we know how to work even harder to spread the truth, so that not a single student or teacher in American colleges or high schools will be uncertain where he stands.

Meeting this issue will give American students excellent training in one of the techniques of cold war. The Communists never use logic as western civilization uses it, following the standard set by the Greeks. They choose their propaganda slogans and their subtle camouflage for purposes of deception, and then dress them up with scholarly references, statistics, maps, and other apparatus of learning.

Such arguments cannot be answered with logic, but we must all learn to answer them. They can be answered only by the clearest understanding of what the Communists are trying to do, and how well they are disguising it; and then by clear and vivid presentation of the idea or image which will most effectively counteract the suggestion technique of the Reds.

I am having prepared a brief bibliography of references which may be left out of the usual reference lists. We also have available copies of the hearings before our subcommittee dealing with Hinton and Powell, and including testimony of the American fighting men who spent long periods in Red Chinese prisoner-of-war camps. We have also a new series on Strategy and Tactics of World Communism. I shall take special

pleasure in sending copies to you and your students, and, obviously, to any other instructors or students or citizens who are interested in the debate.

The Communists hope to hoodwink our teachers and scholars, to draw them into a subtle and carefully contrived propaganda boobytrap. Let us not try to meet the issue by censorship of the Communists. That is what they are playing for. Let us meet it by using this opportunity to give our young people the clearest understanding of the question, and the greatest possible skill in presenting the case for the side of freedom.

Sincerely yours,

WILLIAM E. JENNER.

FROM THE OFFICE OF SENATOR WILLIAM E. JENNER OF INDIANA, DECEMBER 14, 1954

The following books and reports have information of value in connection with discussion of recognition by the United States of the Communist regime in China.

This list is intended to be supplementary to standard lists, and not in place of them.

DOCUMENTS

(Internal Security Subcommittee, U. S. Senate, Washington, D. C.)

Hearings, Institute of Pacific Relations, series, part 7A, Chinese Communist Movement, report, July 5, 1945, War Department.

Hearings, Strategy and Tactics of World Communism, parts 1–5, 1954.

Hearings, Communist Propaganda Activities in the United States 1951.

Hearings, Espionage Activities of Personnel Attached to Embassies and Consulates Under Soviet Dominion in the United States, 1951. (Out of print.)

Hearings, Interlocking Subversion in Government Departments, part 23, 1954. Activities of United States Citizens in Red China.

Report, Institute of Pacific Relations, 1952.

Report, Interlocking Subversion in Government Departments, 1953.

OTHER

Raymond L.-G. Deverall, People's China: Sweat-Shop Arsenal; Richard Deverall, Tokyo, Japan, 1954.

Raymond J. De Jaegher and Irene Corbally Kuhn, The Enemy Within, Doubleday & Co., Inc.

Maria Yen, The Umbrella Garden, Macmillan.

Eudocio Ravines, The Yenan Way.

Robert Green, Calvary in China.

Mark Tennien, Chungking Listening Post.

Liu Shaw Tong, Out of Red China.

Edward Hunter, Brainwashing in Red China.

American Federation of Labor—various documents on slave labor in Communist areas.

Face the Nation Broadcast

EXTENSION OF REMARKS

OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. FOGARTY. Mr. Speaker, under permission to extend my remarks, I include questions asked of and answers made by the gentleman from Massachusetts [Mr. McCORMACK] over the Columbia Broadcasting System television network and Columbia Broadcasting System radio network on the program Face the Nation on Sunday, March 20, 1955. The panel consisted of William H. Lawrence, of the New York Times; John Madigan, of Newsweek; Al Friendly, of the Washington Post and Times Herald; the moderator, Ted Koop, CBS Washington director of news and public affairs; and the producer, Theodore Ayers.

Mr. KOOP. How do you do, and welcome to Face the Nation.

Congressman McCORMACK, as one who has held the post of majority leader in the House of Representatives longer than any other man in American history, you are frequently called upon as spokesman for the Democratic Party to defend or defeat bills in Congress.

At this session, you have fought for the Eisenhower administration in supporting the President's reciprocal-trade program, which you put through the House.

On the other hand, you have fought against the Eisenhower administration in supporting a $20 tax cut, the final outcome of which is still quite in doubt.

On the eve of your 14th successful congressional campaign in Massachusetts last fall, you referred to the Republican leadership as "faulty, confused, and inept."

Now that the Democrats are running things on Capitol Hill, millions of Americans are wondering whether the new congressional leadership is there for better or for worse.

To direct their questions to you today, here is our panel of newsmen: John Madigan, of the Washington staff of Newsweek; William H. Lawrence, national correspondent for the New York Times; and Alfred Friendly, assistant managing editor of the Washington Post and Times Herald.

Now, for the first question, Mr. Madigan.

Mr. MADIGAN. Mr. McCORMACK, will the Democrats in the House stand firm for a $20-per-person tax cut?

Mr. McCORMACK. That's the intention.

Mr. MADIGAN. When does the conference begin, sir, with the Senate conferees?

Mr. McCORMACK. I understand that is going to start next Wednesday.

Mr. MADIGAN. Would you hold out indefinitely in that conference?

Mr. McCORMACK. Well, there has got to be final action, Mr. Madigan. We've got to be practical before April 1, because the excise taxes expire on that date, and—responsible leadership would not undertake any steps, I think, certainly responsible leadership should not, that would result in a loss of at least a billion dollars in revenue to the Government.

Mr. MADIGAN. May I interpret that to mean, sir, that on the eve of April 1, your Democratic conferees are ready to withdraw on their demands?

Mr. McCORMACK. Well, I would not admit that, but I would say this: That responsible leadership would call for a conference report that would be acted upon before April 1, which is the termination date of the excise taxes. We could go beyond that on the corporate taxes, because they could be made retroactive, but you can't make retroactive excise taxes that have expired.

Mr. MADIGAN. Secretary of the Treasury Humphrey, on this show 2 weeks ago, sir, was asked what he thought would happen in the conference, and he said, "I believe it will be defeated in the Senate, and then I think there's a good chance that the House will agree to it;" by that he means killing any income-tax cut at this time.

Mr. McCORMACK. Well, of course, Mr. Humphrey is—is entitled to his own opinion. He has many presumptious views which he has expressed, which he'd be much better off, as Secretary of the Treasury, if he had not expressed them. He is an aggravating circumstance, and his diplomacy in dealing with Congress is lacking sadly.

Mr. LAWRENCE. Mr. McCORMACK, it seems to me that this problem points up one of the issues confronting the country now, with a Republican administration, a Republican executive, and a Democratic Congress.

Does this tax bill offer any means of compromise? Is there any way that you and the President can talk this thing out?

Mr. McCORMACK. Frankly answering your question, Mr. Lawrence, I would doubt it very much.

Mr. LAWRENCE. Do you see the President—or, does the leadership of the Congress see the President at all?

Mr. McCORMACK. You mean the Democratic leadership?

Mr. LAWRENCE. I mean the leadership of the Congress, which is, of course, Democratic, as distinguished from the minority.

Mr. McCORMACK. Well, the majority leadership in the House, I have not seen the President since Congress met in January. So far as I know, Speaker RAYBURN has not; as of 10 days ago he had not, and if he had in the past 10 days, I think I would know; and as of 10 days ago, I know the chairman of the House Committee on Foreign Affairs, Congressman RICHARDS, of South Carolina, that's a very responsible position, had not seen the President.

Whether or not he has in the last 10 days, I do not know, but if he did, I am sure I would know.

Mr. LAWRENCE. Is this a failure to cooperate, then, in your opinion?

Mr. McCORMACK. I will let you draw your own inference.

Mr. LAWRENCE. I remember right after election that the President did say he planned to consult with the Democrats frequently, and he seemed at that time to be speaking more on foreign-policy issues, but I take it that you haven't had even any conferences on foreign policy since this——

Mr. McCORMACK. We have not had a conference at all.

Mr. LAWRENCE. None at all?

Mr. McCORMACK. On anything, foreign or domestic, since this Congress—this particular session of this Congress—started.

Mr. LAWRENCE. Where would the initiative for such a conference come from?

Mr. McCORMACK. It would have to come from the White House.

Mr. LAWRENCE. Have to come from the White House?

Mr. McCORMACK. Certainly it should. We can't impose ourselves upon a President; he shouldn't expect us to.

Mr. KOOP. When you say you haven't seen the President, does that include telephone conversations, too?

Mr. McCORMACK. I have not talked with the President. It's within his rights, if he desires to do so; I don't feel any way personally offended except that people might think it strange for its effect upon the country.

Mr. FRIENDLY. Was there a considerably deeper, tighter liaison in previous administrations; I mean particularly in the 80th Congress when you had a Republican majority of Congress, did the President see that majority leadership more often than at present?

Mr. McCORMACK. Well, I was the Democratic whip at that time, and I'm unable to answer that question. I think on foreign affairs there was constant conferences, I know I participated in a number of conferences—foreign-affairs conferences.

Now, on domestic affairs, I am unable to say.

Mr. MADIGAN. Mr. McCORMACK, I'm not quite clear in your response right here on this $20 tax possibility compromise.

Secretary Humphrey, again on this show 2 weeks ago, was asked if he thought a compromise was possible, and he said, "When I think I am right, I don't compromise," which would indicate the Senate would stick by those views.

Now, are you going to—effect a compromise or are you not?

Mr. McCORMACK. We are going to do everything we can from the House side, to try and

convince the Senate conferees, that is, our conferees are, to recede and accept the $20 tax credit which went through the House, which should be, because it's based on equity.

On the other hand, if the Senate stays put, why, then, there must be a complete regard for the fact that at least a billion dollars in revenue will expire in the nature of taxes on April 1; and I imagine, I have strong convictions, expressing my personal views, that there will be an agreement by the conferees.

Mr. MADIGAN. On what basis, sir? Could you give us some sort of an outline? How could you possibly get an agreement when you are poles apart?

Mr. MCCORMACK. Well, I am unable to state now. There may be an agreement on something less than a straight $20 tax credit. The Senate could recede and concur in the Senate amendment. I doubt that very much.

Mr. FRIENDLY. Congressman, assuming either way that there is a compromise or that the $20 tax bill is lost, do you think the Democrats will get any political mileage out of this proposal?

Mr. MCCORMACK. Oh, I think that this, the tax bill, has conveyed to the people of the country as pointedly as possibly could be conveyed, Mr. Friendly, the basic differences between the Democratic Party and the Republican Party. It has shown that the Democratic Party is the party of the people of America, and the Republican Party is the party of a select few.

Furthermore, it clearly shows that this administration is controlled by certain big business interests in the country.

Mr. FRIENDLY. And yet, Congressman MCCORMACK, what justification can you argue for a tax cut at this time? You, yourself were saying we should have a larger expenditure for national defense, and we are already in a deficit situation.

Mr. MCCORMACK. Well, now, Mr. Friendly, you have to have in mind that the Republicans put through a tax bill last year with a $3 billion reduction. As a matter of fact, it's much more than that because we are now discovering that one of the—of the hidden legislative larcenies was contained in section 462, as a result of which the Government is going to lose anyways from a billion and a half to five billion dollars.

Mr. KOOP. What does that section provide?

Mr. MCCORMACK. That enables them, a corporation, to take deductions for estimated reserve—reserve estimated expenses for the next year of their business, accrual year of their business in addition to the actual year, and that means that—everyone admits there is going to be a loss of revenue of at least a billion and a half dollars, and that's a lot of money, and when that matter was before the Ways and Means Committee last year, Secretary Humphrey and the Treasury Department representatives said that the loss of revenue on that section would be negligible.

We now know there are 70 other mistakes made.

Mr. MADIGAN. Is it not a fact, though, Mr. MCCORMACK, that Secretary Humphrey has admitted this and called it to the attention of the Congress, and is willing to have it changed?

Mr. MCCORMACK. Oh, very reluctantly. It was first exposed by the Democrats.

Last year, he said, the Treasury testified the loss of revenue, Mr. Madigan, would be negligible—now, get that. This year, when it was called to his attention, when he was before the Ways and Means Committee, on the tax bill extending the corporate and excise taxes, he said he didn't know anything about it. He went back to the Treasury, and then he wrote a letter to—to Congressman COOPER, in which he said that there are indications, the Treasury had been looking into it, there are indications that they would have to ask for a repeal, although he said the amount of loss was grossly exaggerated.

Mr. MADIGAN. Mr. MCCORMACK——

Mr. MCCORMACK. Congressman MILLS said the loss would be a billion dollars.

We now know it's going to be well over a billion dollars, and here's his letter, a later letter, on March 7, in which he urgently recommends the repeal of that section and of another section because of the large loss of revenue.

Mr. MADIGAN. Were there any explanations, sir, why you did not discover this last year during the committee hearings on the bill, you people in Congress?

Mr. MCCORMACK. Well, Mr. Madigan, you, if you followed the consideration of the bill last year, you will know there was no bill before the Committee on Ways and Means; that the bill was only brought in, in executive session; the Democratic members never saw any parts of the bill until it was given to them in the morning of a meeting, and usually 50 to 100 pages, typewritten pages of parts of the bill were given, thrown at them, no ability to study them, and they were adopted that day by the majority, the 15 Republican members of the committee, and driven through the committee.

Mr. MADIGAN. Doesn't the House jealously guard its taxwriting authority?

Mr. MCCORMACK. Then there was a closed rule.

Mr. MADIGAN. You're the ones who write the taxes——

Mr. MCCORMACK. Oh, no; that was written by the Republican Party, the Republicans in control of the Ways and Means Committee last year.

Mr. MADIGAN. There were Democrats on that committee, were there not, sir?

Mr. MCCORMACK. Yes, but they were not given any opportunity to see any bill until there were parts of it brought in each morning, and then it was driven through by the votes of the Republican members.

Mr. MADIGAN. Did the Democrats vote for the bill containing this measure?

Mr. MCCORMACK. Well, some of them didn't.

Mr. MADIGAN. Some did.

Mr. MCCORMACK. But there was no opportunity to carefully go into all of the provisions of the bill.

But we do know that on this particular provision, the Treasury, Mr. Humphrey and the Treasury said there'd be a negligible loss. We now know it's well over a billion dollars, and nobody knows how much more.

Mr. LAWRENCE. Mr. MCCORMACK, taking this tax thing in a general way, it's been suggested around this town that this is in some way a political maneuver to prevent the Republicans from putting through their own tax cut next year just on the eve of elections. Is that true?

Mr. MCCORMACK. Well, no; it is not a political maneuver, but anything any party does in Washington has a political connotation.

Now, politics was not the intent. We saw the lower income tax groups denied justice last year in the Republican tax bill. We saw over $3 billion, outside of this—other grave mistake which benefits corporations, going to less than 10 percent of the taxpayers and to the big corporations.

We tried to increase the exemption from $600 to $700 last year, and the Republicans defeated it. We made every effort to bring about an equitable reduction in taxes last year, which the Republicans prevented.

Now it's very clear they are going to undertake to do something next year, and it would be poor leadership, it would be faulty leadership, it would be wrong leadership on our part if we didn't try to do something this year that would protect the low-income tax groups next year.

Mr. LAWRENCE. But even then——

Mr. MCCORMACK. And that was the intent. Of course, there's politics in connection with any legislation comes up in Congress.

Mr. LAWRENCE. Well, again speaking broadly, sir, not with reference to specific things, isn't it true that at this time of a period of peak prosperity, that this is the time to start paying the national debt, and how are you ever going to do that if you are going to keep on reducing taxes?

Mr. MCCORMACK. Well, the Republicans didn't think of that last year, did they?

Mr. LAWRENCE. Well, I'm not talking about the Republicans or Democrats, sir; I'm talking about the national interests, irregardless, regardless of party.

Mr. MCCORMACK. Well, now, Mister—if President Eisenhower had sent a recommendation to Congress to increase our military strength, which should be done in the light of the world today, and then recommended increased taxes, I have every confidence in the people of America that they'd make the sacrifices necessary; but last year, with an unbalanced budget, the Republicans reduced the taxes $3 billion. They did it, and they are going to do it next year, and knowing that, it would be faulty leadership on the part of the Democratic Party if we did not undertake to take—to do something to bring justice to the low-income-tax groups of the country.

Mr. LAWRENCE. The mere fact that they did it last year, and you think it was wrong, doesn't make it any better now to go ahead and cut some more, does it? Let's pay off the national debt.

Mr. MCCORMACK. Well, I agree with you that the logical thing to do would be—to see that the taxes are imposed that would meet—prevent any deficit and make a contribution toward reducing the national debt, but the Republicans made that promise of a balanced budget, which they haven't kept, they made the promise of reducing the national debt, which they haven't kept, and as a matter of fact they have, under the Republicans it's been increased temporarily $6 billion, and with the knowledge of what is going to happen, it would be faulty leadership, it would be wrong leadership on the part of the Democratic Party if we did not undertake to bring justice to the low-income-tax groups of this country, when we have the history of what the Republican has done, Republicans have done for the select few.

Mr. FRIENDLY. Well, Mr. MCCORMACK, a minute ago you said that if President Eisenhower proposed a larger defense expenditure, and asked for taxes to pay it, you think that it would go through, and that would be an expression——

Mr. MCCORMACK. I said I think the American people would make the sacrifices in the world of today.

Mr. FRIENDLY. Well, let me state the proposition then in reverse: If the House Majority Leader proposes, as we understand he may, a higher expenditure by a couple of billion dollars for continental defense, is his vote to reduce the taxes consistent and logical?

Mr. MCCORMACK. Well, of course the Majority Leader feels that our continental defense should be increased, but it happens I am not going to propose that, because that's within—that's the duty and the responsibility of the President.

Furthermore, if Congress increased appropriations for continental defense, there's nothing to stop the President from freezing it.

Mr. KOOP. Mr. Madigan.

Mr. MADIGAN. Did I interpret your reply to Mr. Lawrence before, agreeing with him in balancing the budget, that you feel we should now invoke new taxes to bring in more revenue?

Mr. MCCORMACK. Now?

Mr. MADIGAN. Yes.

Mr. MCCORMACK. In the light of the history of the Republican Party, no, I believe

we should bring justice to the low income tax groups, knowing what happened last year, and knowing what the Republicans intend to do next year.

Mr. MADIGAN. That wasn't my question, Mr. McCORMACK. You agreed with Mr. Lawrence that we should probably introduce sufficient taxes to balance the budget.

Mr. McCORMACK. Responsible leadership in the White House would undertake to increase our national defense and at the same time recommend any additional taxes necessary to bear the burden, and I said if that was done, if two things were linked together——

Mr. MADIGAN. Are you for——

Mr. McCORMACK. The American people would make the sacrifices necessary, that, at least that's my opinion.

Mr. MADIGAN. You are for new taxes right now, then?

Mr. McCORMACK. If it's coupled with increasing our national defense.

Mr. LAWRENCE. Well, Mr. McCORMACK, we've been talking here about what the Republicans have done, which has something to do with your attitude on taxes.

Last week the State Department entered the foreign policy field with the approach that this is what the Democrats did, so they made public the Yalta documents.

What was your reaction to all that?

Mr. McCORMACK. Well, that's their responsibility, Mr. Lawrence. What the results might be from the angle of foreign affairs, time will only tell. What it might—what effect it might have on future conferences, time will only tell.

So far as I am personally concerned, and expressing my own views as a Democrat, I was not disturbed with their making the Yalta papers public, but I was very much disturbed with the manner in which they made them public, because it was purely politics.

The State Department, as you remember, very neatly concocted the scheme that they would send the copies up to about 30 or 40 Members of Congress, marked "Secret," with the security seal upon them, as if there is any secrecy there, knowing there would be a leak, because as a matter of fact one newspaper man telephoned me, which was the first I knew about it, and he frankly told me that he was told in the State Department that it was sent up for the purpose of leaking.

Then, they changed their minds, then they said that the committees asked for it, knowing that the committees are controlled by the Democrats.

Then, they changed their minds, and they made them public, we know the reasons why they were made public. The whole thing was political on the part of the Republican Party, and it's the first time in many years, what disturbs me is, that the State Department, as such, was brought into the field of partisan domestic politics.

Mr. LAWRENCE. What effect is this going to have on bipartisan cooperation?

Mr. McCORMACK. Well, the effect is, as far as I am concerned, I am going to be suspicious of the present constituted State Department as long as the persons who are responsible for this disgraceful episode being in the Department. I've got to be very guarded in any dealings I have with men who will employ methods like that——

Mr. MADIGAN. The Democrats——

Mr. McCORMACK (continuing). Particularly where the national interest of our country is involved.

Mr. MADIGAN. The Democrats promised cooperation with the administration on a nonpartisan basis——

Mr. McCORMACK. And we have been giving it.

Mr. MADIGAN (continuing). In our foreign affairs.

Mr. McCORMACK. We have been giving it.

Mr. MADIGAN. Will you continue to do so, now that you are so mad about the release of the Yalta papers?

Mr. McCORMACK. I would never do anything, Mr. Madigan, and I could not conceive any responsible, any Democrat doing anything that would be inconsistent with the national interest of our country, because no matter what our personal feelings might be, the national interest of the country that each and every one of us loves is paramount and supersedes every other human consideration.

Mr. FRIENDLY. What would be your reaction, Mr. McCORMACK, to a continued series of releases of other conferences?

Mr. McCORMACK. That's the responsibility of the State Department.

And, by the way it's the responsibility of President Eisenhower. I was very much interested when I read in the paper that his press secretary said the President knew nothing about those releases. That's very strange, that the President of the United States, and the leader of the Republican Party, didn't know anything about those papers being released.

I accept the statement made by the press secretary, but it's very strange that anybody in the State Department would be so presumptuous as to release those papers without letting the President of the United States know, and to me, as an American, it shows a marked weakness in the executive branch of the Government, and the mere fact that the President says he didn't know, or through his press secretary, that doesn't mean that he's not responsible for what might flow therefrom.

Mr. KOOP. As a general practice, Mr. McCORMACK, do you favor the early release of documents of secret conferences?

Mr. McCORMACK. That's entirely up to the State Department, and this administration. They have to consider what the effect might be in the light of the national interest of our country, that's a question for them to determine.

As a matter of fact, the release of these papers have brushed aside a lot of false and malicious rumors and stories and lies that have been circulated around for years. It's been a political dud, so far as the Republican Party is concerned, but the thing that concerns me, gentlemen, is the manner in which those papers were released.

Mr. MADIGAN. Why do you think——

Mr. McCORMACK. And the injection of the State Department into politics.

Mr. MADIGAN. Why do you think they were released?

Mr. McCORMACK. Purely political.

Mr. LAWRENCE. You still think it was a dud?

Mr. McCORMACK. Pardon?

Mr. LAWRENCE. You think it was a dud?

Mr. McCORMACK. Yes; they didn't intend it to be a dud, they didn't think it would be a dud.

Mr. FRIENDLY. What did they think would be in it that would be politically advantageous to them?

Mr. McCORMACK. I don't know, I can't read their minds.

Mr. FRIENDLY. Do you see anything——

Mr. McCORMACK. I'm not going to undertake to read their minds.

Mr. FRIENDLY. Do you see anything in it that will be damaging to the Democratic Party?

Mr. McCORMACK. Of course, the people have got to realize that Yalta took place over 10 years ago. The world of 10—and these papers in connection with those meetings have got to be construed in the light of the world conditions of 10 years ago, which are different than 1955. We were then faced with going into Japan, and the Joint Chiefs of Staff had said there would be a million casualties among American troops alone, in an invasion of Japan. There were many broad questions then. We were in a war that had to be considered by responsible persons, and you have got to construe any of these meetings in the light of the time they took place, not in the light of 1955.

Furthermore, the world of 10 years ago is an entirely different world today; we are now in the atomic world, the hydrogen world, the cobalt world. Who knows, the world, gentlemen, of 10 years ago is—might just as well be—a world of, or culture or civilization, thousands of years ago so far as the impact upon human beings is concerned.

Mr. LAWRENCE. Do you have any Poles in your congressional district?

Mr. McCORMACK. Americans of Polish blood?

Mr. LAWRENCE. Yes.

Mr. McCORMACK. I always like to refer to any racial origin as Americans of——

Mr. LAWRENCE. I don't mean to offend you or them, Congressman.

Mr. McCORMACK. Yes; and they are very good citizens, and very fine people.

Mr. LAWRENCE. Do you anticipate any trouble as a result of the Yalta documents and their references to Poland?

Mr. McCORMACK. Well, most people overlook the fact that—that while there are some parts of the Yalta agreement that we would disagree with, that the reason that the parts that we agree were not carried out was because Stalin wouldn't keep his promises, and in order to have him keep his promises we had to go to war again.

Mr. MADIGAN. Mr. McCORMACK, could I turn to another matter on the Hill, a legislative matter?

This week the Democrats will attempt to restore rigid price supports in substitution for the President's flexible price-support program for farms. Republican leadership claims you don't have the strength to put it through. What do you think?

Mr. McCORMACK. Well, I am frank in stating that I can't answer that question now. We are having a poll taken; whether or not, what the poll shows I am unable to state now because it is not complete.

Mr. MADIGAN. A poll of your Democratic members?

Mr. McCORMACK. Exactly.

Mr. MADIGAN. The purpose of that is to what, to——

Mr. McCORMACK. To find out what the views of the Democratic members are for the benefit of the leadership.

Mr. MADIGAN. If the results should show that you could not put it through, would you then give up the fight?

Mr. McCORMACK. Well I'm not prepared to say that, Mr. Madigan, because again that's a matter of consultation with the chairman of the committee. I would say from the early reports that I have received, that there is a reasonable chance of it going through, because you want to remember, we picked up some new members last, as a result of the last election, which will bring a change, there are 12 or 13 votes among new members that we didn't have in the last Congress, and then there are other considerations.

It will be a hard fight. I am frank in stating that, but the early reports that we—the leadership has received indicates pretty good strength among the Democrats.

Mr. KOOP. Mr. McCORMACK, on this program we frequently ask our guest to get out his crystal ball and look ahead to the 1956 elections.

Who do you think the Democrats will nominate for President next year?

Mr. McCORMACK. Well, we have a number of good candidates, Mr. Koop. Who they will nominate, I wouldn't want to undertake to look at my crystal ball today in relation to that.

We have Governor Stevenson, we've got Stuart Symington, we've got Averell Harriman, we've got Governor Lausche, we've got Governor Williams, we've got Senator Lyndon Johnson, we've got Senator Russell, we've

got Senator Kefauver, we've got Governor Leader, we've got Governor Meyner, and last but not least, I don't know what his views are, because I haven't talked with him, we've got that greatest Democrat of all in active public service, that's SAM RAYBURN.

Now, I haven't talked with the Speaker, but he is the greatest Democrat in active public service today, and one of the greatest Americans in active public service.

Mr. MADIGAN. Do you think Adlai Stevenson should announce his intentions now?

Mr. MCCORMACK. I think anyone who is seeking the—I don't know about now——

Mr. MADIGAN. Well, when do you think he should announce?

Mr. MCCORMACK. I don't know. I'm not passing on that, but I say that I think that anyone who, among the Democrats, who has the ambition to be nominated as President at some time or another should go out and make an active campaign.

Mr. FRIENDLY. May I ask a quickie on the Republican side?

Do you think that Mr. NIXON could be elected President on the Republican ticket?

Mr. MCCORMACK. Well, you are assuming that President Eisenhower is not a candidate?

Mr. FRIENDLY. Right.

Mr. MCCORMACK. Well, I would say that NIXON, Vice President NIXON would have very little chance of being elected President of the United States.

Mr. KOOP. Would you add Mr. MCCORMACK to the list of your Democratic candidates?

Mr. MCCORMACK. I'd be happy to.

Oh, me? Oh, no, no. I haven't got—I didn't quite get your question, Mr. Koop. No, that's far, that's far removed from my thoughts.

Mr. KOOP. Thank you, Congressman MCCORMACK, for Facing the Nation, and answering the questions being asked today by our panel of correspondents: John Madigan, of Newsweek; William H. Lawrence, of the New York Times; and Alfred Friendly, of the Washington Post and Times Herald.

Views of National Council of Farmer Cooperatives With Reference to Position of United States Department of Agriculture on Trip Leasing

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. WOLVERTON. Mr. Speaker, the question of trip leasing is a subject of great interest to the farmers of this Nation. The House Committee on Interstate and Foreign Commerce last year held lengthy hearings on the subject. After careful consideration the committee reported favorably to the House a bill that in effect repealed a recent ruling of the Interstate Commerce Commission that was considered detrimental to the farming industry and harmful to our economy. The bill passed the House but was held up in the Senate without any action being taken. It is hoped, however, that a similar bill will be considered and passed at this session of Congress.

On March 4, 1955, Richard F. Mitchell, Chairman of the Interstate Commerce Commission, reported to the House Committee on Interstate and Foreign Commerce on the present status of the Commission's handling of the trip-leasing matter as involved in Ex Parte No. MC-43. When I received a copy of the Commission's report I immediately brought it to the attention of the farm organizations that had participated so earnestly last year in the effort to change the unsatisfactory order that had been made by the ICC and which so radically changed the trucking practices that previously had been the custom of farmers. In bringing the matter as presented in the recent report of the ICC to the attention of the farm organizations, I sought their viewpoint with reference to the same.

I am in receipt of the following letters which I include as part of my remarks:

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 21, 1955.

Re position of United States Department of Agriculture on trip leasing.

Hon. CHARLES A. WOLVERTON,
House Office Building, Washington, D. C.

DEAR MR. WOLVERTON: Supplementing my recent letter, we desire to call to your personal attention the enclosed copy of a letter which Mr. Brinkley, our executive vice president, has written Chairman PRIEST, with the view of preventing any misunderstanding as to the unequivocal position taken by the Secretary of Agriculture as to the need, in the interest of farmers, for the passage of trip-leasing legislation such as was passed by your committee and the House of Representatives in the last session.

Sincerely yours,
L. JAMES HARMANSON, Jr.,
General Counsel.

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 21, 1955.

Hon. J. PERCY PRIEST,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

Re report of the Interstate Commerce Commission on status of the trip-leasing matter.

DEAR MR. PRIEST: My attention has been called to the communication dated March 4, 1955, from Richard F. Mitchell, Chairman, Interstate Commerce Commission, addressed to you, reporting by request of a member of your committee on the present status of the Commission's handling of the trip-leasing matter as involved in the proceeding ex parte No. MC-43.

The purpose of this letter is to correct an erroneous impression which I believe a portion of the above-mentioned communication is likely to convey to you and the members of your committee. The portion to which I refer is the underlined sentence in the following passage of Commissioner Mitchell's letter:

"In examining the application of the 30-day rule to the transportation of agricultural commodities the Commission became convinced that a change in the 30-day rule to meet the objections of the agricultural interests would have no serious effect on the objectives of its rules. Accordingly a series of orders were entered, one of which permanently excepts vehicles used in the transportation of agricultural commodities from application of the 30-day rule. This permits an authorized carrier to lease for periods of less than 30 days motor vehicles with drivers after completion of a movement in which such equipment is exempt from regulation by this Commission except as to safety regulations. This modification was not a postponement of the effective date, but a change in the regulations so as to permit authorized carriers to trip lease agricultural vehicles following a trip with exempt commodities under all conditions having any relation to the transportation of agricultural commodities. The modification in favor of agricultural haulers incorporated into this rule the language and terms suggested by the Department of Agriculture."

The modification in the 30-day rule referred to by Commissioner Mitchell was contained in 1 of 3 orders issued in this proceeding by the Commission on November 30, 1953, after the passage of H. R. 3203 (trip-leasing) by the House of Representatives on June 24, 1953. The import of the underlined statement above is that the 30-day rule, as changed by the order of November 30, 1953, was considered adequate and satisfactory to the Department of Agriculture. The public record of the position of the Secretary of Agriculture, evidences otherwise. Such evidence is contained in the letter from the Secretary of Agriculture dated May 6, 1954, addressed to Hon. JOHN W. BRICKER, as chairman of the Senate Interstate and Foreign Commerce Committee. A copy of the Secretary's letter, as incorporated in the printed record of hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, United States Senate, 83d Congress, second session on H. R. 3203 (pt. 2), at pages 398 and 399, is enclosed for your ready reference.

Pertinent excerpts from the Secretary's letter evidencing his belief as to the inadequacy of the 30-day rule, as amended by the Commission on November 30, 1953, are quoted below:

"The record of past hearings will indicate that a representative of this Department presented testimony before the House committee and before your subcommittee in support of this legislation. Since those hearings the Interstate Commerce Commission has issued several amendments and modifications to its orders in Ex parte MC-43, Lease and Interchange of Vehicles by Motor Carriers. Those orders of the Commission have, to some extent, alleviated the restrictions against short-term leasing in connection with vehicles engaged primarily in the transportation of exempt agricultural commodities. We believe, however, that the Commission's amended order does not restore the flexibility which Congress intended should accompany the exemptions set forth in section 203 (b), (4a), (5), and (6) of the Interstate Commerce Act. We wish, therefore, to express our continuing interest in and support of the legislation proposed by H. R. 3203.

* * * * *

"The flexible, efficient, and economic movement of exempt and processed agricultural commodities may not be adequately accomplished under the rules presently prescribed by the Commission.

* * * * *

"Under the proposed rules of the Commission, exempt carriers' leasing practices are severely restricted, except on return to the origin of exempt transportation. In order to best serve its purpose as an agricultural marketing facility, the exempt vehicle must enjoy such freedom of migration as the harvest season shall require.

* * * * *

"A great deal of confusion over a long period of time has resulted in growing uncertainties and conflicting opinions with respect to the matter of trip leasing. In order that all parties may be properly guided by the intent of Congress, it is our hope that H. R. 3203 will be enacted into law, thus removing the multiple uncertainties concerning the activities of vehicles embraced within the provisions of section 203 (b), (4a), (5), and (6) of the Interstate Commerce Act."

The Commission's latest extension to March 1, 1956, of the effective date of the 30-day rule, as amended, merely intensifies and prolongs the multiple uncertainties concerning the operation of trucks hauling agricultural commodities. We agree fully with the hope of the Secretary of Agriculture that the Congress will move promptly to end these continuing uncertainties in the interest of farmers and the public generally by enacting legislation incorporating provisions such as were contained in H. R. 3203, favorably reported by your committee and passed overwhelmingly by the House of Representatives in the last session.

There are enclosed sufficient copies of this letter for individual distribution to the members of your committee.

Copies of this letter are also being sent direct to the Chairman of the Interstate Commerce Commisison and the Secretary of Agriculture for their information.

Sincerely yours,

HOMER L. BRINKLEY,
Executive Vice President.

(Copies to Hon. Richard F. Mitchell, Chairman, Interstate Commerce Commission; Hon. Ezra Taft Benson, Secretary of Agriculture.)

COPY OF LETTER FROM SECRETARY OF AGRICULTURE BENSON TO SENATOR JOHN W. BRICKER, CHAIRMAN, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, DATED MAY 6, 1954, RELATIVE TO H. R. 3203 (TRIP-LEASING) [1]

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 6, 1954.

Hon. JOHN W. BRICKER,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate.

DEAR SENATOR BRICKER: We have been informed that your committee is to hold further hearings in connection with H. R. 3203, a bill to amend the Interstate Commerce Act in order to prohibit the Interstate Commerce Commission from regulating the duration of certain leases for the use of equipment by motor carriers, and the amount of compensation paid for such use.

The record of past hearings will indicate that a representative of this Department presented testimony before the House committee and before your subcommittee in support of this legislation. Since those hearings, the Interstate Commerce Commission has issued several amendments and modifications to its orders in Ex Parte MC-43, Lease and Interchange of Vehicles by Motor Carriers. These orders of the Commission have, to some extent, alleviated the restrictions against short-term leasing in connection with vehicles engaged primarily in the transportation of exempt agricultural commodities. We believe, however, that the Commission's amended order does not restore the flexibility which Congress intended should accompany the exemptions set forth in section 203 (b) (4a) (5) and (6) of the Interstate Commerce Act. We wish, therefore, to express our continuing interest in, and support of, the legislation proposed by H. R. 3203.

The flexible, efficient, and economic movement of exempt and processed agricultural commodities may not be adequately accomplished under the rules presently prescribed by the Commission. In instances where vehicles are engaged in the transportation of exempt commodities, at the close of the harvesting season, it is necessary to the agricultural need that they be permitted a freedom to lease, for less than 30 days, for movement in any direction where a new peak harvesting season is beginning. Under the proposed rules of the Commission, exempt carriers' leasing practices are severely restricted, except on return to the origin of exempt transportation. In order to best serve its purpose as an agricultural marketing facility, the exempt vehicle must enjoy such freedom of migration as the harvest season shall require.

A vehicle moving an exempt commodity from Florida to New York City may not always be able to obtain a lease for return from New York City to Florida. Under the leasing rules, as presently prescribed by the Commission, such a vehicle being stranded in New York City, could not return empty to Philadelphia, Pa., and enter a single trip lease from that point to its Florida origin. It could lease from New York City to Albany, N. Y., or Boston, Mass., but at either of those points it would not be permitted to enter any lease for less than 30 days.

In addition to partially exempt transportation, it is highly desirable that private transportation of processed agricultural commodities also be permitted the flexibility and economic advantages derived from a freedom to lease for single return trips. This they may not do under the present status of the Commission's proposed rules. This freedom for private transportation would permit continuance of very desirable economies to the advantage of the agricultural producer and the consumer of processed agricultural commodities.

Many food processors, such as meatpackers and canners of agricultural products transport these processed commodities in their privately owned vehicles. Economies in the transportation are extremely important because it is but another link in the marketing chain between producer and consumer. Our concern for and recommendation relating to private transportation stems from continuing interest in lowering marketing costs of which transportation charges constitute an important part. We believe the greater flexibility and economy of movement of commodities handled by private transportation will contribute to this objective.

A great deal of confusion over a long period of time has resulted in growing uncertainties and conflicting opinions with respect to the matter of trip leasing in order that all parties may be properly guided by the intent of Congress, it is our hope that H. R. 3203 will be enacted into law, thus removing the multiple uncertainties concerning the activities of vehicles embraced within the provisions of section 203 (b) (4a) (5) and (6) of the Interstate Commerce Act.

If it should be the desire of the committee, a representative of this Department will appear to answer any questions which may arise with respect to our continued strong support of H. R. 3203.

Sincerely yours,

E. BENSON,
Secretary.

[1] See pp. 398–399, pt. 2 of the printed hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, U. S. Senate, 83d Cong., 2d sess., on H. R. 3203 (trip-leasing).

Floating Bases for Defense Installations Will Save Chicago's Jackson Park

EXTENSION OF REMARKS
OF

HON. BARRATT O'HARA

OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. O'HARA of Illinois. Mr. Speaker, I have been much concerned over the plans of the War Department to destroy beautiful Jackson Park. First, it was proposed to take Wooded Island as the site for a military installation. That was stopped in the very nick of time. But no sooner were we freed of this menace to Wooded Island than the War Department announced that it was to take over the promontory, or at least a portion of that spot so dear to the people of the community that I have the honor to represent in this body.

The tragedy is that these spots of beauty and of sentiment, once taken over, can never be reclaimed. If it is necessary for the proper national defense, no one would object. But the only excuse offered is that it would be too expensive to put this site elsewhere than in Jackson Park. It is merely a matter of saving money, and to save money the sites will be located in beautiful Jackson Park and where, from the military standpoint, they will be least effective. I have presented as best I could the feeling of our people in Chicago and have been assured by the War Department that the matter is being given further consideration.

I am directing the attention of my colleagues to the plan under consideration for the construction of a chain of mid-Atlantic and mid-Pacific bases to strengthen United States defenses against atomic attack. If this plan be feasible, in the oceans of the Atlantic and the Pacific, why should it not be followed in the Great Lakes?

Instead of tearing up Jackson Park, and placing military installations in the place where children play and adults go for relaxation and recreation, why should not these installations be placed on floating bases in Lake Michigan? This, it seems to me, is the one and only answer. I trust that the War Department will so decide and that the Congress will give the necessary authorization and appropriation. It is a matter which should interest every Member of this body who represents a district in the Great Lakes area.

Bank Mergers

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 28, 1955

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Independent Bankers Association at the new Willard Hotel, Washington, D. C., Friday, March 25, 1955:

BANK MERGERS

Bank mergers are in the news. Big news for the big banks, but what of the smaller, independent banker? These mergers are not new. They have been continuing throughout the Nation at a gallop and the sound of heavy hoofs are heard through the land.

In New York City alone, in the last 7 years, there have been 17 bank mergers. Since the first of this year that area has experienced, in terms of total deposits, the three largest bank mergers in the history of our country. First, the Chase National Bank announced its merger with the Bank of the Manhattan Co. and the Bronx County Trust Co. This merger, if approved, will make the Chase Manhattan Bank the second largest bank in the United States and it will control over 22 percent of all of New York City's commercial deposits. That it will be approved,

I have little doubt, despite my protest to the Superintendent of Banks of the State of New York, who in this instance is the approving officer. He and I do not agree—for reasons best known to himself. Then, hardly before the ink was dry on that agreement, the Bankers Trust Co., which has been gobbling up competitors in huge bites for several years, announced plans to acquire the Public National Bank. Note that in the last 4 years, since 1950, the Bankers Trust has absorbed such substantial banking institutions as Title Guarantee & Trust Co., Lawyers Trust Co., Flushing National Bank, the Commercial National Bank & Trust Co., the Bayside National Bank, and now the Public National Bank. All of these were strong, substantial institutions, ably managed, with adequate capital, earning a healthy, competitive profit.

This month, the Nation's second largest bank, the National City Bank of New York, announced plans to take over the First National Bank of New York, thus eliminating another vigorous, independent, competitive banking enterprise from the list.

As I said, I wrote the Superintendent of Banks of the State of New York, and also the United States Comptroller of the Currency, and the Federal Reserve Board, urging them to give the closest scrutiny to these mergers and do all that was within their power to prevent them. I pointed out that whereas New York City had 127 commercial banks at the opening of the century, today only 62 remain. Almost as if to punctuate my protestations, the Franklin National Bank and the Meadowbrook National Bank, both of nearby Nassau County, Long Island, announced consolidation, respectively, with the Roslyn National Bank and the Baldwin National Bank. In addition, the Franklin National Bank announced plans to take over three other banks in Nassau County. Not to be outdone, the Meadowbrook National Bank entered into consolidation agreements with another group of three banks in that area. Between them, these 2 banks will control over 60 percent of all bank deposits, savings as well as commercial, in Nassau County, N. Y. I firmly believe the Franklin-Meadowbrook mergers are flaunting the underlying philosophy of the Celler Anti-Merger Act and our entire antitrust principles. To my mind, the approval of these mergers by these responsible officials sharply outline the necessity for Federal legislation to limit such possible abuses of their discretion.

So strong has been the "urge to merge" that in the short period since the end of World War II more than 600 of the country's commercial banks have disappeared by way of merger or consolidation. The result—an alarming concentration of financial power in the hands of a few banks. The 100 largest banks in the United States now hold more than 48 percent of the Nation's bank deposits. Unless the present unrelenting merger trend is stopped, the financial banking structure of the United States will soon resemble that of Great Britain, Germany, and other countries in which all private financing resources are controlled by a mere handful of interlocking giant banks.

In England the so-called Big Five control 75 percent of all deposits. In Germany the Big Four, the so-called 4 D banks, controlled over 90 percent of the total banking assets in that country. In France there are no accurate statistics, but again four large banks are known to control an overwhelming proportion of that country's banking. It is no wonder that in each of these countries the Government found it easy to nationalize one or more of these giant banks, at one time or another. Such concentration throttles competition and depresses the Nation's economy.

DECREASE IN NUMBER OF BANKS

During the last 35 years, the number of banks has been reduced by more than half. In 1921, there were over 30,000 banks serving the Nation's commercial borrowers and creditors. At the end of June 1954 less than 15,000 banks remained in operation. Prior to 1921 and between the years 1915 and 1921, the average number of new banks which yearly entered into the business totaled approximately 500. Contrasted to these figures is the cold, hard fact that since 1950 less than 20 new banks a year on the average have been granted national charters. While the Nation's banks were hit hard by the depression and the lean years which followed, we must note that the decline in the total number of our banks set in more than 5 years before the crash of 1929. According to Federal Reserve figures, the number of banks doing business had already declined from the high of over 30,000 in 1921 to 24,000 in 1929, a total of some 6,000 banks. Between the years 1929 and 1933, some 9,000 banks were forced to close their doors. By 1943 the total number of banks had dropped to 14,579. Yet, despite the unprecedented postwar boom—despite the 286 percent growth in bank assets—despite the new high levels of loans and deposits—despite the greatly increased use made of banking services—despite the enormous growth in the number of depositors, the total number of banks in 1953 reached a new low of 14,538.

Even in New York State, which is widely recognized as the financial capital of the world, the number of State-chartered banks has dropped. In 1926 the number of State-chartered banks in New York was 611. The State's banking structure weathered the depression with the loss of less than 100 banks. Yet the number of banks kept decreasing until by 1954 there were 380, a loss more severe than the loss suffered in the depression years.

What is significant is the contrasting rise in the number of bank branches operated by existing banking houses. I think that branch banking is an evil to itself, and I shall discuss it later. Suffice to say, at the moment, that by the end of 1954 branch banks accounted for 25 percent of the banking offices in the country. Lest this figure tend, however, to give too optimistic an appraisal of our present banking facilities, it should be remembered that there were, in 1921, more than 31,000 independent banks serving depositors. At that time there were only half as many customers with less than one-third the volume of present deposits.

MERGER AND CONSOLIDATION OF BANKS

This raises the question of why, even in the face of unequaled economic prosperity, do we hear the death rattles of so many banks? The reasons for the failure of banks during the depression and in earlier periods no longer exist. Since 1945 agriculture has been prosperous and the deposits of country banks have burgeoned. The Federal Deposit Insurance Corporation has liberated the economy from the destructive effects of "bank runs" and "money panics." Bank management has become a skilled profession. New Deal banking legislation has made savings and deposits in banks today safe and sound for even the smallest and humblest depositor. We now have a healthy system of strong banks. Why, then, the continuing decrease in their number? There is no longer a serious problem of weak banks, with inadequate capital, undiversified loans, subject to special local risks or limitations. If we look, we will find the answer in this movement toward consolidation, absorption, and merger. In the years 1945 through 1951 there were 581 consolidations and absorptions among the Nation's commercial banks. In the first 3 months of the present year, 52 of the Nation's banks were consolidated or absorbed by other banking institutions. It is high time that this cartelization of banks was stopped. Among the many banks which have gone by way of merger within the past few years are such illustrious concerns as the Lawyers Trust Co., Title Guarantee & Trust Co., the Corn Exchange Trust Co., Brooklyn Trust Co., Commercial National Bank and Trust Co., Continental Bank and Trust Co.—all legendary institutions in the chronicles of New York's financial history—all have served the community long and honorably.

I emphasize that mergers involving large banks are in no way a local phenomena confined or peculiar to the city of New York. Within the last 4 years more than 7 large sized banks, with assets exceeding $100 million have been absorbed by other competing banking institutions in various areas of the country. In Philadelphia the Girard Trust Co., one of the 100 largest banks in the United States, was merged in 1951 with the Corn Exchange National Bank and Trust Co., another leading bank, to form an entity with assets of more than $500 million. Delaware's two largest banks, Equitable Trust Co. and Security Trust Co. were merged in 1952, and in the same year, the Mansfield Savings Trust Bank of Ohio and the Citizens National Bank and Trust Co. were merged. In Pittsburgh the Mellon National Bank and Trust Co. acquired the Farmers Deposit National Bank, one of the Nation's largest banks, with assets exceeding $100 million and deposits of over $140 million.

The competitive structure of banking in this country must not be destroyed. While some mergers were the result of an effort to avoid financial collapse on the part of one of the combining institutions, such cause has not been a significant factor since the end of hostilities of World War II in 1945. It is my belief, and I think I share it as common knowledge with most other men with an interest in the banking field, that more subtle factors underlie this trend of bank mergers. For a good many years the stocks of many banking houses have been selling on the open market well beneath their book value. To illustrate this point by way of concrete example, as of June 1950 the book value of the Central Hanover Bank & Trust Co. was $131 per share, yet the bank stock could be purchased on the open market for $99.50, reflecting a discount of 24 percent. In September 1954 stocks of such banks as Chase National, Irving Trust, New York Trust, and J. P. Morgan Co. were all selling in the market for at least 20 percent below book value. This kind of situation, of course, has been giving rise to merger agreements because mergers have proved to be an attractive device for marking up the price of bank securities. Shareholders, under merger agreements, have been able to obtain the book valuation of their holdings in place of the price set in the open market. A bank and its securities, in many instances, are worth more to the stockholders as a corpse than as a going concern. I have heard it said among bankers that many banks in the United States are worth more dead than alive.

A good illustration of how low-market evaluation of bank shares tend to inspire mergers is the consolidation of the Brooklyn Trust Co. with Manufacturers Trust Co. in 1950. In December 1949 while the book value of Brooklyn Trust stock was $194.96 per share, its market value was only $148 per share. Upon merger, the shareholders of Brooklyn Trust were given $183 in cash for each share of stock and also a share of Manufacturers Trust Co., itself worth approximately $55 per share. As a result, the shareholders of Brooklyn Trust Co. were able to realize more than the book value of their shares. On the other hand, as a going concern, the stockholders would not have been able to dispose of their securities in the market without incurring substantial loss.

But perhaps the principal reason behind the merger activities of our rapidly expanding banking system is passion for size as the symbol of success. The Manufacturers Trust Co. is today the fourth largest bank in the United States, due largely as the result, over the years, of some 80 acquisitions and mergers. It operates a branch banking system of 112 offices in the greater New York area. Another illustration is the Mellon National Bank & Trust Co. of Pittsburgh. In 1941 the Mellon Bank ranked 23d highest among the Nation's banks in order of deposits. By 1954 it had risen to 12th place. In the interim period, it had acquired many small independent banks in the Pittsburgh area, so that today it operates over 40 banking offices therein. In the years between 1928 and 1948 more than 37 percent of that bank's increase in loans and 30 percent of its increase in deposits could be attributed to assets acquired through other banks.

CONCENTRATION OF BRANCHES

Today, instead of seeing new, independent banking institutions on the horizon, we see only branch banks. The large State of Pennsylvania has had only three formal applications for charters since 1933. In the last 10 years only 1 formal application for a charter has been filed in the State of Connecticut. Delaware has had none in the last 10 years. What does this mean? It means simply—or not so simply—that whereas before we had new and independent banks entering the banking field each year, we now have no new banks, but only big banks growing bigger. Take, for example, the two recent giant mergers of the Chemical Bank & Trust Co. with the Corn Exchange Bank and the Chase-Manhattan Bank merger. In each case, the prime motive of the bigger bank was to extend itself from the confines of Wall Street and into the neighborhood banking field.

The Chemical Bank had been largely a Wall Street banker's bank. The Corn Exchange, on the other hand, had a network of branches throughout New York City. By joining hands with the smaller bank, the Chemical was able to get into the neighborhood banking business in a big way.

It is the same with the Chase merger. To become a real neighborhood bank, the Chase realized, it would need branches outside the Wall Street area. The Bank of Manhattan, with which it merged, had plenty of branches—55 branches, in fact, throughout New York City. So, instead of going out and establishing new branches in competition with the Bank of Manhattan, it combined with it and in one fell swoop, it acquired well-established branches and buildings, a highly developed business with a built-up clientele, and, what is more important, it was eliminating a large competitior.

Out of the 572 commercal banking offices now operated by 62 banks in New York City, 4 banks control 313 of those offices, or 54 percent of all the banking offices in the city. Among them they control 51 percent of the commercial deposits. If the Chase-Manhattan merger is approved it will add 58 branches to this all powerful oligopoly and give to them 64 percent of all banking offices and 56 percent of the commercial deposits. Is this not cause for concern? Where will it lead? Assuredly small independent banks will find the going rougher and rougher. Local merchants and local industrialists will be at the mercy of far away banking tycoons and far distant panjandrums.

It is, of course, avoiding the issue to say that none of these recent mergers in New York will result in a decrease in banking locations now available to the depositors. The question is not whether there will be a diminution of banking facilities but whether these mergers will tend to unduly lessen competition in that area. The second largest bank in New York City, for example, does not need the banking offices of one of its largest competitors, to render to the public the service for which it was organized. The principal value obtained by one of our largest banks acquiring a large competing bank and merging with it is the elimination of the competitor, and, in the case of the presently pending mergers, the strengthening of the already all-powerful position of large banking institutions. For the borrower it means less avenues of credit. No matter how many bank branches exist, the borrower faces the same borrowing conditions set by the home office. My strictures are applicable not only to New York but practically every important area of the Nation.

The impact of mergers in eliminating the competition of smaller banks and strengthening the financial resources of large banks has not been considered in recent Federal legislation dealing with bank consolidations. This is a defect we must remedy. At present, approval of certain mergers must be obtained from the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Federal Reserve Board. But none of the statutory provisions relating to mergers contain any express requirement to study the effects on competition. In fact, even the requisite of official approval can be avoided if the acquiring bank increases its capital stock and surplus so that it exceeds that of the merging institutions combined.

The very purpose of our antimonopoly policies established under the Clayton Act and the Sherman Act is to increase instead of lessen competition. I secured the passage of the Celler Anti-Merger Act which prohibits the merger of corporations under the jurisdiction of the Federal Trade Commission where such consolidations would "tend to substantially lessen competition in any section of the country."

However, while these laws outline our public policy, they do not contain provisions dealing specifically with bank mergers in all their phases and are therefore inadequate to protect the public interest against the elimination of competition in banking and the centralization of financial power.

In order to remedy this situation and to plug the loophole in our Federal law I have introduced a bill, H. R. 2115, which will subject all bank mergers and consolidations to the scrutiny of Federal bank officials. In determining whether or not to approve a merger the officials, under the terms of the bill, would be obliged to determine whether the effect of such a merger might "unduly tend to lessen competition or tend to create a monopoly, in the field of banking, contrary to our public policy favoring local ownership and control of banks."

I am sure all reasonable and prudent men will agree that we need strong, independent, efficient, vigorously competitive banks. I would not quarrel with the reduction in the number of independent banks, if thereby only weak banks were eliminated or, as the result of consolidation, the public would receive superior service. But the mergers which worry me and must worry you are the recently announced ones which are eliminating, precisely the kind of strong, independent bank which has so ably served this country.

I am in favor of any influence which will strengthen our banks and our banking system. But I am against the paralysis which occurs when monopoly takes over a vigorous competing banking system and when signs of socialism loom large on the horizon.

I believe you and I are in the same battle together. I will welcome any suggestions you wish to make, for our mutual purpose is to keep American economy free and strong.

One Hundred and Thirty-Fourth Anniversary of Greek Independence

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Friday March 25, every American of Greek descent had cause for personal pride and happiness because this important day was the 134th anniversary of the independence of Greece. Americans of every nationality join with their brother citizens of Greek descent in this anniversary celebration of the freedom of the great and independent Greek nation. Under the leadership of Archbishop Germenos a long time ago, in 1821, the gallant and courageous Greek people rose against their enemy oppressors. Since that valiant strife 134 years ago, Greece has fought successfully to maintain freedom and justice.

The ancient ancestors of modern Greece are also the ancestors of western civilization and culture. The immeasurable contributions of Aristotle, Demosthenes, Socrates, Plato, together with many, many other towering names of ancient Greece civilization laid the foundation of modern culture and molded the pattern for our culture and intellectual western civilization. In their search for truth, the ancient Greek scholars made possible the development of modern civilization—by their constant and progressive elimination of the frontiers of knowledge. In philosophy, science, art, literature, politics, architecture and government they profoundly influenced not only the life of their times but the development of the western world. It is in this sense that every American can join in the celebration of this anniversary of Greek independence.

The many years of the independence of Greece, however, have brought many challenges to the Greek people and their freedom. Within our time people all over the world marveled at the courageous stand of Greece against the Fascist and Nazi invader. The valiant fight and ultimate victory over communism of the Greek people has been a source of inspiration for millions of people dreaming and hoping for freedom but still bound and oppressed by the chains of communism.

From those early days of 1821 to the present time, the people of America have aided and assisted the Greek people in their struggles to maintain their independence. Moreover, the United States is fully conscious of the honor and the advantages of having a vigorous nation such as the Greeks by our side in the struggle against Russian communism. The fact that recent United States aid has been given to Greece without any territorial or material gains on our part indicates to the Greek people that there is no imperialistic intent on the part of

the United States, but only a desire to assist in sustaining Greek independence.

On the 134th anniversary of Greek independence the noble spirit of the Greeks is perhaps best expressed in the words of their leader, King Paul, in an address delivered before the United Nations General Assembly, during a trip to the United States, when he said:

With internal political stability and possessing Armed Forces whose organization, fighting spirit, and reliability are universally recognized, Greece stands alert. Should the powers of destruction at any moment dare to interfere in an attempt to strangle the salutary work of the United Nations, Greece stands ready to throw herself at once into the struggle at the services of the world organization.

In my home city of Lowell we are very proud of our American citizens of Greek ancestry. Their family life represents the finest. They have contributed many to the learned professions. Lawyers, doctors, teachers, and the clergy cooperate together with Mr. Citizen to give the community a neighborly spirit. They have contributed greatly to the defense of our country. They are among my close friends and for many years I have been grateful to them for their loyalty and honorable spirit.

Throughout the Commonwealth of Massachusetts there are many Americans with the excellent and noble background of the culture of Greece. Our Commonwealth and our country is a much improved place for life and living, for the strength of our defense, for the sturdiness of our character, for genuine happiness because they are with us, a part of us, in the constant building of this America, the greatest Democracy on earth.

The Independence Day of the Greeks

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. RODINO. Mr. Speaker, many peoples associate their origin with certain heroes who have saved them from extinction, or who have performed some epic deed which has been of vital significance to the preservation or glorification of the nation. These half real and half legendary heroes are often presented as the embodiment of the national spirit, as the champions of national independence, or as defenders of liberty. The history and mythology of the ancient Greeks are full of such heroes—some of them real, some of them only products of the fanciful imaginations of poets. What is important is that these ancient figures, representing the spirit of freedom or other noble ideals, were among the first symbols of many of our Western culture's finest concepts. From Greek history, literature, and mythology they have entered the broad stream of the best traditions of the West. For this reason our debt to the Greeks is immense. That is one reason why the celebration of Greek Independence Day is of such meaningful significance to Americans.

After many long and glorious years of history, in the 15th century the Greeks came under the sway of the Turks. For about 400 years they were subjected to the Turk's alien and unwanted rule. During those years it was not possible for them, without effective outside aid, to free themselves. But early in the 19th century, they saw their chance, seized upon it, proclaimed their independence on March 25, 1821, waged a long and uphill fight against their oppressors, and finally, after many years of fighting and with the aid and encouragement of their friends abroad, they regained their national political independence. Since then Greece has been free. As we have witnessed during recent years, Greece has guarded her freedom with constant vigilance and is determined to defend it against all foes. In joining this celebration we wish the Greeks success and prosperity in the years to come, and we promise them, as our allies, support in the defense of their priceless possession, their national independence.

Yalta Papers: Why the Uproar?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HOSMER. Mr. Speaker, a lot of partisan uproar has followed the recent release of the Yalta papers by the State Department. In large part it seems to be an effort to divert attention from the contents of the papers by attacking the way they were made public. Rather, the important thing to discuss is what happened at Yalta, and why it happened, so the lesson can be well learned not to let it happen again.

The decision to make the Yalta papers public was unquestionably right.

The American people are entitled to know the facts concerning the conduct of the Nation's foreign affairs. This is particularly so in this instance where the papers reveal the details of a conference as a result of which thousands of American casualties occurred on a foreign battlefield.

It is President Eisenhower's policy to inform the people concerning the conduct of the people's business. The Republican Eisenhower administration does not believe either in making secret deals which sell out our allies or which are deliberately kept from the American people.

The position of those who oppose making the papers public is inconsistent. In one breath they say there is nothing new in these papers. In another breath they say they contained information so sensitive and secret that their release has been harmful to the national security and to the relation with our allies.

From the standpoint of the Nation and the free world, it was particularly wise to make the papers public at this time. Suggestions are being made to hold another conference with the Communist leaders. As we consider whether such a conference should be held, the records of previous conferences should be made public so that they can be studied not only by the diplomats, but by the people of the free nations.

Only this way can we adequately be prepared to meet the ruthless tactics of the Communists at the conference table. We also will be reminded again that in the past a Communist's word has meant nothing once the papers were signed. Only by studying the record of previous conferences can we avoid making the same mistakes in the future.

The sensitivities of diplomats, either ours or those of our allies, cannot be the decisive factor in determining whether to make public the record of a conference held 10 years ago. No diplomat's face is worth the life of one American boy.

Editorial Columnist Larry Collins, of the Long Beach Independent newspaper, recently set forth the need for recognizing and understanding the mistakes made at Yalta in the following writing:

WHY THE UPROAR?

It is hard to understand why the Democratic leaders are so upset over the publication of the Yalta papers. They cry out that they have been released for political reasons. It would seem as logical to say they had been suppressed for political reasons. Those who object so loudly to their publication place themselves in the position of criticising the actions of President Roosevelt. Otherwise, why do they object to the publication of something the people have a right to know about?

It has been 10 years since the Yalta meeting. What was done at that meeting has changed the social, economic, and political complexion of most of the world. In the light of what we now know, wrong decisions were made at Yalta. But the wrong was actually in trusting the Russians. Had they lived up to what President Roosevelt expected of them, those decisions might have worked out for the best interests of world peace.

Before we accept this as a partisan criticism we should recall the decision made by Republican President Harding, after World War I. That decision resulted in an agreement to cut down naval strength of Britain, Japan and the United States. The United States sank some of their nearly completed great warships. An equal ratio of naval strength was to be maintained by each of the three nations.

The debacle of that conference resulted in World War II, Japan never lived up to her agreement. She continued building ships, regardless of the ratio agreement. We fell far behind, because we lived up to it. When Japan started making her conquests in Manchuria, we allowed her to continue. We were not strong enough, or were too fearful, to stop her. Had we maintained our strength and not sunk our ships, following World War I, there probably would never have been a World War II.

There were mistakes made in each of these conferences. The mistakes are important. But the suppression of the facts is the issue in the Yalta paper disclosures. When it is charged they have been disclosed for political purposes, the fact is overlooked that the conference was 10 years ago. It may well be asked: How long are such facts to be held

secret? When are the people supposed to be told what has been done about their affairs?

It has been said that, by the disclosure of the Yalta agreement, we have broken faith with other nations, whose leaders took part in that conference. It is embarrassing to Mr. Churchill. But it is also an issue dealing with world policy. That means it is the people's business. They are entitled to know. Holding up the disclosures for 10 years should be long enough to satisfy any reasonable person. Whatever the reason, it is good for the people that the disclosures have been made.

The mistakes at Yalta should not be used for partisan purposes. The Democratic leaders are emphasizing the issue by their bitter denunciation of their disclosure. It would be much more reasonable to accept the issue on its merits and learn a lesson. That lesson should be that secret diplomacy is dangerous for democracies. It should convince anyone that the Communists cannot be trusted. Leaders of both parties should accept the disclosures from these viewpoints and stop the cry of partisanship. Mistakes are not confined to either party.

L. A. C.

Proposed Commission on Ethical Practices

EXTENSION OF REMARKS

OF

HON. WAYNE N. ASPINALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. ASPINALL. Mr. Speaker, on March 23, my good friend from the First District of Connecticut introduced a bill having for its purpose the establishment of a commission on ethical financial practices. May I state at the outset that I am heartily in accord with the objectives of such a bill. I regret exceedingly, however, that in the course of his remarks, the gentleman from Connecticut, for whom I have a high personal regard, made statements which caused me to believe that in his own mind he already had formed definite conclusions of guilt for certain individuals and business enterprises and is ready to publish to the world such alleged guilt without giving the legislation which he sponsors an opportunity to accomplish that for which it allegedly is sought. This smacks too much of questionable legislative activities which have become all too common during these times. My colleague from Connecticut is entirely justified in explaining on the floor of the House the reason which prompted his action in the introduction of legislation which he sponsors. However, I find myself in disagreement with any procedure which makes it impossible for the accused to answer in the forum in which the accusation has been made.

The seriousness of this matter is not minimized one bit when I realize that what really is involved is a stockholders' fight in a heretofore rather unknown business corporation. The floor of this legislative body is not, in my opinion, a good battleground for warring shareholders of a private corporation; nor is it a fit place to carry on an election contest for the board of directors of any private enterprise. The gentleman's proposed legislation provides the forum for the contest. Why did he not wait for the arena to be built? Surely the alleged immoral actions—no illegal activities having been alleged—could await an authorized and proper investigation.

I am confident that my good friend the Representative from Connecticut, when all of the facts are placed on record, will agree with me that his remarks unfortunately could be, and may I advise are being used to create misleading impressions to create an unfair advantage in a private dispute. I am sure that he would be the first to wish the record corrected when all of the facts are known to him. I think that it would be well, therefore, to review briefly the history of Penn-Texas operations since Mr. Silberstein, whom my friend attacks, assumed leadership of that great enterprise.

Approximately a year ago the Penn-Texas Corp. acquired ownership of a company in my State of Colorado. I am happy to say that far from having any detrimental effect upon that company, the Penn-Texas ownership and management has brought it great strength with resulting benefits to the company and its employees. As far as I personally am concerned, I would welcome further such enterprises in the State of Colorado because I know that it would be good for the State and good for the country.

One of the directors of Penn-Texas Corp. is Oscar L. Chapman, former Secretary of the Interior. I have known Oscar Chapman intimately since 1922. His reputation for honesty and integrity is well-known throughout this country. Together with all Coloradoans, I am proud of his career in the public service and of his lifetime devotion to the public interest. I want to say, Mr. Speaker, that Mr. Chapman has discussed this matter with me and that I have the utmost confidence in his judgment.

I have also had the pleasure some time ago of meeting Mr. Leopold D. Silberstein, president of Penn-Texas and, I must say, I was very favorably impressed by the man and by what he has been able to accomplish. About a year ago, Penn-Texas acquired a company in my home State of Colorado and that company is now well on its way to becoming one of the leading producers in its field.

Mr. Speaker, the story of Penn-Texas is a success story in the great American tradition. Leopold D. Silberstein took over the management of Penn-Texas, then known as the Pennsylvania Coal and Coke Corp., in 1949. At that time, the assets of the organization consisted of three bituminous coal mines operating at a loss. Since 1949 the company has grown into a multimillion dollar corporation operating at a profit and paying liberal dividends to its stockholders and good wages to its employees.

In common with many American firms seeking to protect their stockholders against violent fluctuations in the business cycle, Penn-Texas Corp. adopted a policy of diversification. Through its subsidiaries the company now owns a controlling interest in a profitable oil and gas property in Texas; it operates three ocean-going freighters, all under the American flag; it is one of the country's leading producers of wire and cable; it is one of the Nation's best known producers of railroad and shipyard cranes, traveling bridges, and dockside unloaders; and it has recently acquired the Bayway Terminal Corp. of New Jersey, one of the largest facilities for handling rail and water shipping on the Atlantic seaboard. Moreover, as I have already mentioned, Penn-Texas has taken over the Quick-Way Truck Shovel Co. of Denver, Colo., the first company in America to develop and produce in volume a complete line of truck-mounted cranes and shovels. I am advised that Quick-Way is now expanding its work force and rapidly becoming one of the leading producers of earth moving and material handling equipment in the Rocky Mountain States.

Apparently, Mr. Speaker, the Silberstein management has been very good for the corporation. It is my understanding that during the period of which I have spoken the company's common stock has tripled in value. In addition, Penn-Texas has increased its work force and payrolls many times over. A gratifying amount of Penn-Texas products and services are going into our Nation's defense program.

Mr. Speaker, I hesitate to interject myself into what I consider a private business dispute. These are matters for the stockholders to decide, not someone on Capitol Hill. Nevertheless, when any American citizen, or any American corporation is unfairly attacked I believe there is a moral duty to set the record straight and to afford an opportunity to tell the other side of the story.

I have done my best to get the best advice available in this matter. The matters of which I speak are matters of record and could easily have been checked before any derogatory statements were made.

Various statements were made by my good friend from Connecticut which leave the unfortunate impression that somehow there is something wrong with the Penn-Texas interest in Niles-Bement-Pond. The impression is left upon the record that somehow the Penn-Texas stock was acquired in a secret raiding operation and that in some way there is a cloud over the officers and directors of Penn-Texas. I am informed that the record shows that this is not so.

The fact is, Mr. Speaker, that Penn-Texas, according to my information, acquired its stock in Niles-Bement-Pond through open purchases through recognized brokerage houses and that Niles-Bement-Pond was on full notice of these acquisitions. It is a matter of record that Penn-Texas has openly invested millions of dollars in Niles-Bement-Pond stock and that Penn-Texas owns almost 50 times as much stock as all of the present Niles-Bement-Pond management combined. Certainly it is elementary fair play that persons with so heavy an investment should be entitled to some voice in the management. Yet, Mr. Speaker, when the Penn-Texas interests requested a minority voice in management I am told that it was refused. Surely we are not arriving at that point in this country where one has to be a second generation American to purchase stock on the open market.

With reference to this latter aspect of the controversy between Niles-Bement-Pond and Penn-Texas, I am informed that it is a fact as alleged that Mr. Silberstein was born in Germany. I also have been advised of some other pertinent facts which I am glad to place on the record. I am told that he was a respected member of the Berlin Stock Exchange before he was 30. He left Germany when Hitler took over, and moved to Holland. He was a member of the Dutch Army when Holland was invaded. He fled to England before the onrushing Nazi Armies and along with thousands of other Germans of Jewish extraction, he was interned and sent to Australia. Before the end of the war, the British had brought him back to England and he is highly regarded in British official and financial circles. He is now a United States citizen.

Mr. Speaker, the fundamental principles of fair play and equal opportunity for all have made this Nation the greatest Nation on earth. Every time an attack, however unintentional or ill-advised, is made on those principles, it is an attack on all of us and upon our most priceless heritage of freedom. I am proud that this great body is available as a forum to repair any damage which may have been done.

Another Act of Soviet Treachery

EXTENSION OF REMARKS

OF

HON. JOHN C. KLUCZYNSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. KLUCZYNSKI. Mr. Speaker, 10 years ago today, 16 top Polish underground leaders were placed under arrest in Moscow. Only 2 were since released and the other 14 have not been heard from.

All of these 16 leaders went to Moscow in good faith and belief that a peaceful solution of Polish-Soviet problems was to be arranged. They had accepted an invitation from Marshal Zhukov to come to Moscow to implement the Yalta agreements, for the creation of a Polish government after World War II hostilities ended. They were given guaranties of safe return to Poland.

Today, when we contemplate the recent disclosure of the Yalta agreement, this incident should be kept in our minds. It marks one of the darkest passages of recent international history and serves as an everlasting monument of Soviet treachery and perfidy.

How can we even consider having any further meetings with these same leaders, until they satisfactorily explain their treacherous conduct in this instance, and until they order the release of each of the remaining gallant Polish leaders?

Had these men not been imprisoned, Soviet Russia would never have succeeded in enslaving the Polish nation. These leaders would have led a resistance movement that could have changed the entire course of world history.

I sincerely hope that our representatives will refuse to consider any further meetings with the Soviet representatives until positive action is taken to make amends for this and many other acts of Soviet treachery.

New Frontiers for the West

EXTENSION OF REMARKS

OF

HON. WILLIAM S. HILL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Earl L. Butz, Assistant Secretary, United States Department of Agriculture, before the third annual farm and ranch congress, Denver, Colo., Monday, March 7, 1955:

NEW FRONTIERS FOR THE WEST

The scientific and technological advances we will experience in the next decade will be unparalleled in American agriculture.

The geographic frontier in America is gone. No longer can a young man "go West" and stake out his claim. Even the wild and woolly Colorado frontier has been tamed. But the scientific frontier in America is barely scratched. And the scientific frontier has no effective limit. It is limited only by the mind and imagination of man.

Organized and imaginative research is the vehicle which will push the scientific frontier beyond limits we scarcely dare dream of today.

It follows logically, therefore, that if we can keep our economy free and preserve an environment in which individual producers and scientists are free to dream a little about new techniques and new ideas, and to enjoy the fruits of their dreams, we shall experience phenomenal progress in the next generation.

The above prediction is made with full understanding that the American economy in 1954 was down slightly from a year earlier; but it has turned upward in recent months. Entirely too many Americans suffer under the economic illusion that it is abnormal—in fact disastrous—for the economic graph to dip modestly downward once in several years. Some of the modern-day alarmists would try to superimpose a new politically created artificial boom on top of an old war-created artificial boom, and push our economy from one unstable excess to another. We have no new evidence that man can completely circumvent the law of action and reaction, even in his economic behavior. Within the framework, however, the long-time growth curve of the economy is distinctly upward.

ECONOMIC STABILITY IS THE KEY

America has been enjoying a period of relative economic stability during the past year. The general level of prices has been remarkably stable during the past 12 months, varying within a range of less than 2 percent. That is virtually no change.

Prices received by farmers have likewise been fairly stable during the past year, fluctuating within a range of less than 6 percent.

The widely advertised business recession of 1954 evidently reached the bottom about last July. The slow erosion of prices and business activity which had been in progress since shortly after the Korean boom halted them, and has turned up modestly. The upward course has been fairly steady, although not spectacular, for the past several months. Our economy is growing at a healthy rate, production is increasing absolutely and on a per worker basis, consumer incomes are rising, consumer spending is at a record rate, and higher standards of living within the immediate reach of all of us.

Nineteen hundred and fifty-four was the second biggest economic year in the history of America. This was accomplished without war, with Federal Government expenditures down $11 billion, and Federal taxes reduced $7 billion.

In my book, the second biggest year in our history is a long, long way from the kind of depression some of our alarmists were preaching last fall. Last year was the most prosperous depression in our history.

The relative stability of the past year is reassuring. The adjustment in business activity from the peak levels of the Korean war period to the present time has been one of the mildest on record.

Truly the economic health of America is good.

Gross national production in 1955 will exceed the 1954 level of $357 billion. It could equal the record of $365 billion in 1953. It is reliably predicted that our gross production will reach $500 billion by 1965. That would mean an average increase of 20 percent for each of us, above our present living standards.

In this overall environment of a stable to strong general economy, American agriculture may also look forward to economic stability. Although farm income has declined slightly more in the last year than has the general economy, it is significant that its decline has been very markedly slowed from a year and a half ago. The price parity ratio for 1954 averaged 89, only 3 points below the 1953 average. The price parity ratio last month stood at 87. This was only 7 points below the figure for 2 years earlier, January 1953, when Ezra Taft Benson became Secretary of Agriculture. In the 7 months before January 1953, the price parity ratio dropped 10 points. In the 23 months before January 1953, the price parity ratio dropped 19 points.

It now appears that the stability we have been experiencing will continue through 1956. The domestic demand for farm products will continue strong, with a likely modest increase in foreign demand.

It is gratifying that in this setting for potential progress in agriculture, the 83d Congress gave us a new farm bill that will point American agriculture toward better balance, greater freedom for individual farmers, and a more stable and prosperous economy. The new law establishes the sound economic principle of flexible price supports which will help gear our farm production to the needs of the Nation and will, at the same time, minimize the need for such stringent controls over farm production and marketing as we experience today. The new bill becomes operative with the 1955 crops.

It must be pointed out, however, that neither the new farm program nor any other legislative magic can be expected to solve our pressing farm problems in a few weeks or even a few months. The burdensome surpluses now owned by the Government were accumulated over a period of years by following wartime price-support policies long after the emergency had ended.

WE NOW FEED OURSELVES ON SCIENCE

American agriculture is now feeding our growing population on science and technology. We have increased our total agricultural output in the last 4 decades by 75 percent, on roughly the same acreage we had previously, and with 2½ million fewer farm workers. Even in the 15 years since the beginning of World War II, our farmers in America have increased their total production by 47 percent, with no increase in acres and with 1¾ million fewer workers on

farms. These changes have accompanied the application of science and the advanced technology associated with mechanization and electrification of the American farm.

The efficiency of agricultural production has likewise increased tremendously in recent years. In the last 4 decades, total output per man employed in agriculture has increased 140 percent. In the last 15 years output per man-hour has increased 70 percent. This has resulted in higher level of living for farm families, and cheaper food for urban families.

In the same short 1½ decades, we have increased our steel production capacity by one-half, and have doubled our electric power production capacity. Surely a broad base is laid for a further rise in living standards for the average man and woman in America.

Modern science and technology have solved the age-old problem of hunger and pestilence in the Western Hemisphere. But modern man has not yet learned how to manage his society and cooperate with each other in order to accomplish the high level of production and prosperity of which we are capable. The science of political economy is lagging the physical and biological sciences. Our most pressing problem now is to learn how to live with and to enjoy the age of science and technology which we have created for ourselves.

We must cultivate within our society an environment in which individual producers and scientists are free to experiment with new techniques and new ideas, and to enjoy the fruits of their labors. We shall experience phenomenal progress in the generation ahead, if we can preserve our system of free prices and free enterprise. No administration in Washington can do that automatically, for Government cannot go beyond what the people in our various States desire.

Your job and mine must be one of everlasting adult education about the things that make America great. If we keep our free economy, we must preserve a free-price economy. There are too many people in America today who do not really believe in free prices, but who still believe they can look to Washington for price supports, price regulations, price ceilings, and so on. We must get the point across to every citizen of our country that the incentives under free prices make our economy great, and make it strong, and make it productive.

Farmers believe in the free-enterprise system. They believe that government should be the junior partner and free citizens the senior partner. They know this system has produced in America the broadest opportunity for free and prosperous citizenship that exists any place in the world. Under this system individual producers and individual processors can grow and prosper as far as their ambition and their ability will take them. The right to succeed is open to everyone.

AMAZING CHANGES IN OUR GENERATION

We live in an era of the most rapid scientific and technological change of all time. If you were to put the full recorded history of man on the face of your clock, starting with the story of creation in the Book of Genesis and continuing until 1855—100 years ago—the hands of your clock would have moved from noon around to 11:45 p. m. The last 15 minutes on the face of your clock would represent the last century. Yet, output per worker in the United States has increased more in that last 15 minutes than in the previous 11 hours and 45 minutes. And most of the increase within the last 15 minutes has occurred since the turn of the present century. Many of us now living have played a substantial role in this amazing sciientific and technological revolution.

Let us imagine for a moment that a good Egyptian farmer in the day of Moses could have been brought back to life in the day of the Caesars, some 12 centuries later, and placed on a good farm in Italy, then the most advanced nation of the world. He could have farmed with practically no additional instruction, for the art of agriculture had changed little, if any, in the intervening 12 centuries.

Let us imagine that same farmer brought back to life on a good English farm in the day of Shakespeare, some four centuries ago. He still would have been a pretty good farmer with no additional instruction.

Now let's bring that same ancient Egyptian farmer to the eastern shores of America 150 years ago and put him on Thomas Jefferson's farm, one of the advanced farms of that day. He still would not have found the art of farming very different from that which he practiced in Egypt 3,000 years earlier. He still would have used the same motive power, the same crude implements, and large amounts of hand labor. He would have known very little about fertilization, improved varieties, high-producing breeds of livestock, and the hundred mechanical and electrical gadgets which occur on our modern farm.

Now imagine for a moment that same farmer on a modern American farm. He would be completely bewildered. He would not even recognize the working end of the tractor parked in the farmyard. He would probably raise the cry of witchcraft at all the wonderful things performed by mechanical and electrical power. It would require hard years of instruction and apprenticeship for him before he could even begin to operate the modern American farm.

MORE CAPITAL IS REQUIRED

Agriculture is now big business. It is inevitable that family farms are becoming larger, as the number of workers on farms decreases and as mechanization of our farms continues at a rapid pace. It is estimated that the value of the United States agricultural plant is about $150 billion. This means a national average of approximately $30,000 per farm. Obviously, these averages include many small farms. The figure for typical commercial family farms is larger. It runs from $50,000 to $100,000.

On our good family farms it now takes an investment of nearly $50,000 to create one farm job. In American industry it takes an average investment of from $12,000 to $15,000 to create one industrial job. It takes three times as much capital to create one agricultural job on good family operated commercial farms. Truly agriculture has become big business. As such it calls for a very high level of managerial ability on the successfully operated farm.

When many of us were youngsters it was often said, "If you can't do anything else, you can farm." Today the situation is reversed. If you can't farm, you'd better do something else. Successful operation of the modern typical family commercial farm calls for a higher level of managerial capacity than does most of the family operated business concerns in your county seat town.

THE "COUNTRY HICK" HAS DISAPPEARED

Scientific research in agriculture has changed farming from a "way of life" to a "way of making a living." The "country hick" of a generation or two ago has almost completely disappeared from the American scene. The city limit sign which appears at the edge of your county seat town no longer means the same as it did a generation ago. It is now just a tax boundary. It is no longer a cultural boundary, a recreational boundary, an education boundary, a social boundary, or an economic boundary. It is just a legal dividing line.

The same kind of people live on one side of that city limit sign as on the other. They have increasingly the same types of ambitions, similar cultural, social, and economic opportunities, comparable ways of living, and even similar disappointments and frustrations. This development is all for the good. It has been associated with a lowering of the drudgery of farm life. The living conveniences of the city have been taken to the country. Mechanization and electrification bring shorter hours on the farm than a generation ago, with opportunity for higher economic rewards for the efficient farmer than existed a generation ago.

FOOD IS CHEAP IN AMERICA

The phenomenal increase in agricultural production made possible by scientific research has helped urban people as well as farm people. It has provided them with a record high diet at an all-time low cost. Few urban people understand this. We need to get the story across, every time we get a chance, that food is not expensive.

The retail price of food in America is lower now than it was a year ago. It's lower than it has been since 1951. Retail food prices in December 1954 were 110.4 (1947–49=100). The 1954 monthly average was 112.6, 1953 average 112.8, and 1952 average 114.6, and 1951 monthly average 112.6.

Food is cheap and getting cheaper in terms of how long the industrial worker must work to pay for it. It is cheaper now than before Korea. It is cheaper now than it was in 1932, in terms of how long the American worker has to work to get his food.

There is no country on the face of the earth today where the workingman spends so small a proportion of his working day earning the food he eats as in America. There is no country on the face of the earth today where the workingman has so large a proportion of his working day left to buy the things that make life so pleasant in your home and mine, as in America.

At the present time the American public is spending approximately 26 percent of its disposable income for food. In 1935–39, it spent only 23 percent of its disposable income for food. However, if the American public were content to eat the same quantity and the same quality of food per person we ate in 1935–39, we could get our food for 18 percent of our disposable income instead of the 23 percent we actually spent 15 years ago.

The plain truth is that on a per capita basis we are eating about 13 percent more food in this country than we ate 15 years ago. And we are eating better food, with more meat, milk, and eggs. Consumption of restaurant meals and prepared foods is up.

We eat "higher on the hog" and enjoy it tremendously. And it doesn't cost us very much to do that either. The thing that bothers us most in America is not nearly so much the high cost of living as it is cost of high living.

THE AGRICULTURAL HORIZON LOOKS BRIGHT

An exciting experience lies ahead for those Americans who have the capacity to dream. The America we enjoy today was built by men and women who had dreams. America will continue to grow in proportion as her citizens dream imaginatively and constructively.

The future is filled with interesting challenges. Science will dominate the next century. Brains will replace brawn in American agriculture and industry. Man will direct power rather than supply it. Production per man will continue to increase. This means still larger agricultural units with more capital. It means increased mechanization. It also means high standards of living for those who produce our food and fiber. Farming will be even more big business than it is now. It will be still less a way of life than now.

LET'S DREAM A LITTLE

The sun is the ultimate source of energy for our earth. We think American agriculture, scientific as it is, does a pretty good job in converting the energy of sunshine into

the usable energy of food and fiber. And by historical standards, modern agriculture does okay. Yet a good farmer, using up-to-date scientific methods, can now capture from 1 acre of crops on his farm in 1 year about as much energy as God pours on that acre in 1 typical summer day. We now convert to usable form less than one three hundredth part of the energy poured on our acres every year.

Let your mind dream a little about the possibilities ahead in food production. If we learn somehow how to double our production per acre, we would still be getting less than 1 percent of the energy available. What a marvelous challenge ahead for science and for men of vision.

NEW POWER AND PRODUCTION POSSIBILITIES

Let's dream for just a moment in another direction. The history of the rise of man's material standard of living is essentially a history of increased amounts of energy under the direction of a single worker. A century ago 85 percent of our people were engaged in agriculture. Many agricultural operations were performed by hand or with hand implements. As a consequence, output per worker was so low that there was little surplus food to support those who were engaged in nonagricultural occupations.

Today less than 13 percent of our population is engaged in agriculture, releasing more than 87 percent to follow nonagricultural pursuits and to produce the goods and services which make life so pleasant for all of us in America. This transformation has been made possible partly because each individual farmer directs so much more power now than formerly. This is also true in industry and commerce. Reflect for a moment on the changes that have occurred within your own experience in the amount of horsepower controlled by a single worker in agriculture, in industry, or in transportation.

Now let us dream a little. Within this decade, the nuclear age was born. Possibilities for new sources of energy stagger the imagination. New research developments with tremendous power potentialities occur with amazing rapidity.

Some scientists now assert that our known reserves of fissionable materials exceed in potential power our known reserves of coal, petroleum, and water power. Other scientists predict that within 10 years we shall have available in this country as much nuclear energy as we now have available from our coal, our petroleum, and our water power, combined.

Let yourself dream for a moment in that area. If such predictions are only one-fourth right, it means that in 1965 our whole economy of 1955 will be obsolete. It means that the job of converting to the new and more economical sources of nuclear energy will dwarf the automobile boom of the 1920's. It means still larger units per worker in industry and agriculture. It means more capital per plant and per worker.

THE BEST YEARS ARE YET TO COME

The challenge of the next decade is unprecedented for men and women of vision and ambition. The challenge for agriculture is greater than ever before in its history. The scientists who develop new knowledge for agriculture, as well as those who apply it, will have the opportunity, through producing more products at lower cost, to occupy a ringside seat at the greatest decade in the history of America.

My life insurance company gives me 28 years yet to live. I am looking forward eagerly to those 28 years in this marvelous America. I expect them to be the most challenging, the most interesting, and the most rewarding years in the history of mankind.

If I could have my choice of the period of all time when I would spend my last 28 years on this earth, I would start them this day.

The scientific and social challenges which lie before us are unparalleled in history.

I approach my next 28 years with anticipation and enthusiasm.

I am going to have a lot of fun growing and building and dreaming with this still young and vigorous America.

I hope you too can see a great challenge for yourselves in the years ahead.

The Fate of 16 Polish Underground Leaders

EXTENSION OF REMARKS

OF

HON. THADDEUS M. MACHROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. MACHROWICZ. Mr. Speaker, today marks the lapse of 10 years since the date that 16 leaders of the Polish underground were treacherously lured into Moscow, under the pretext of beginning Polish-Soviet negotiations for peaceful solution of mutual problems, and under guaranties of security. All 16 were placed under arrest by the Soviets and all but 2 have not since been heard from.

The person who masterminded this intrigue was Marshal Zhukov, who is now prominent in the Soviet Government. It is this same Soviet Government with Marshal Zhukov, and others like him, who would now like to lure the United States into friendly meetings to discuss peaceful solution of mutual problems.

In the past, each of these meetings have led to further concessions to Soviet Russia and have increased their capacity to further subjugate the free world, and threaten our own national security.

It has been said that Soviet Russia should first show its intentions of good faith before any new meetings take place. I submit, Mr. Speaker, that we should request the immediate release of the remainder of these 16 Polish leaders and an explanation of the unlawful action of the Soviet regime in imprisoning them, before we ever consider any further action toward meeting with them.

On July 2, 1952, during the debate on the report of the special congressional Katyn committee, I referred to this subject matter. Because the remarks are equally applicable today, under leave to extend my remarks, I am inserting, herewith, portions of my remarks made that day:

The United Nations, to whom we ask that this report be transmitted, should also look into the fate of the 16 fearless Polish underground leaders, who in March of 1945, were invited to Moscow by Marshal Zhukov under the pretext of beginning Polish-Soviet negotiations. There they were treacherously placed under arrest and placed in the infamous Lubianka prison.

This fact was at first carefully concealed by the Russians but was finally revealed during the conference at San Francisco, where it evoked widespread indignation of world opinion.

Under the influence of our appeasement policy, however, this matter was hushed in order not to antagonize the Russians, with whom we thought we could come to an agreement.

After 7 years what was the result of that policy? At least four of these brave leaders have died in jail as a result of the tortures suffered. Others, after release from the prison in Moscow, were again thrown into jails in Soviet-dominated Poland, where they are languishing.

Former Ministers Jasiukowicz and Bien were sentenced in Moscow to 5 years imprisonment. They therefore should have been released and returned to Poland not later than March of 1950. To this day 2½ years later, there is no sign of life of either of them. Neither is there any news of the fate of the former Minister, Pajdak, who who excused from the Moscow trial because of illness.

Seven and one-half years after his arrest he has not returned to Poland, nor has he been heard from.

The United Nations Organizations recently adopted a bill of human rights which provides that no individual may be arrested without a proper court determination, that no one shall be deprived of his rights before a public court trial and that no one can be imprisoned longer than provided for in the court's verdict. The Soviet representative refrained from voting because he thought the provisions were not sufficiently democratic and there is no assurance of the execution of the provisions.

It is not time to expose this horrible cynicism of the Moscow Communists, and to show them that the United States respects the decisions in which it participates and is willing and ready to enforce them?

Would that not be the best way to demonstrate to Poland and to the other nations behind the Iron Curtain that the United States has determined to defend the principles of justice against force?

Action by our Government to determine the fate of these brave Polish underground leaders illegally held by Russia in prisons or concentration camps will do more for the cause of the United Nations than any other propaganda behind the Iron Curtain, based on promises rather than actions.

The Yalta Papers

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BURDICK. Mr. Speaker, England is having a nightmare over the publication of the proceedings at Yalta. Can it be that Mr. Churchill was less candid than he ought to have been when he reported on the matter to the House of Commons?

When was it discovered that the truth should be kept from the people? Since the truth is the easiest thing in the world to defend, why all this consternation about the publication here of those proceedings?

No one can read these papers without coming to the definite conclusion that the Korean War was born as a result of the Yalta agreement—and do you not think the mothers of the thousands of boys killed and wounded in that conflict are entitled to know how and why it started?

I hope the Potsdam papers are published in full. Then between the Yalta and Potsdam reports we can find out who betrayed Poland, Czechoslovakia, and the Baltic States. It would be hard to believe that the United States knowingly consented to turn over 200,000 Germans to slave labor, never to be returned by Russia to their native land, but when we read these papers we will know the truth. Were men from Germany in uniform to be the slaves of Russia as part of the reparation claims against Germany? Was Russia not willing to take property and dollars in reparations, or did they insist upon men, to become their slaves?

From these papers we can understand why Czechoslovakia was abandoned; we can understand why we didn't take Berlin when the Germans offered it to us; we can understand why we delayed until the Russians got there first.

Why should any nation be offended when the truth is being unfolded? Are we ashamed of the truth? Is England ashamed of it? One purpose will be accomplished, and that is that these reports will deter this country from making any more secret agreements that may not only violate the principles of this republic, but blacken our name on the pages of world history.

I don't see how anyone can feel that publishing these proceedings would be a political move. If the Republicans intended it for that, it comes too early to have any effect, and the leaders of the Republican Party are entitled to more credit than that.

The contents of these documents belong to the public, for if we were guilty of making colossal blunders at that time, the effect will be to keep us from making them again. If our representatives consented to the enslavement of people to serve the vindictive and selfish interests of the Soviets, we want the world to know that the people of this great Republic knew nothing about it and would never have consented to it if they had known. If those secret proceedings show the error our representatives made, and the people of Europe believe that was the act of the people of the United States, we never can overcome the ill feeling that will be fomented against us. It is important, therefore, that the people of Europe and Asia know that the people of the United States have never approved the action of our representatives at Teheran, Yalta or Potsdam. They could not have approved something we knew nothing about. Hereafter, we hope, Mr. Dulles and the President will not make the same error and put our name to any further secret agreements of similar character, the contents of which are kept from the people.

In the situation we are now in, there is only one thing that will save the people of the United States from world censure because of Teheran, Yalta and Potsdam, and that is the truth.

The action of one Senator in proposing to investigate the leak in the publication of these documents serves no good purpose and contributes to further errors on the same subject.

I am not ready to charge any of our representatives with dishonorable intentions when these agreements were made. They could have been grossly mistaken and poorly advised, but what they did in fact consent to, we should know. It isn't too late yet, for the honor of this country, for the people to disavow unconscionable and inhuman agreements.

The very fact that these agreements are being published is the best protection the people of the United States can have against any further diplomatic acts of similar character.

Amending the Natural Gas Act Is in the Public Interest and Will Restore the Jobs of Unemployed Coal Miners and Railroaders

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. VAN ZANDT. Mr. Speaker, continuing my efforts to relieve unemployment in the coal, railroad, and related industries in my congressional district, on March 18, 1955, I introduced H. R. 5068 to amend the Natural Gas Act.

In support of my bill, the following statement was submitted to the House Committee on Interstate and Foreign Commerce on March 25, 1955:

STATEMENT BY HON. JAMES E. VAN ZANDT, 20TH DISTRICT, PENNSYLVANIA, ON H. R. 5068, BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, MARCH 25, 1955

I have introduced a bill, H. R. 5068, to amend the Natural Gas Act in certain important respects in the public interest.

Bills of similar import before this committee have been introduced by Representatives STAGGERS, SAYLOR, CARRIGG, KELLEY, MORGAN, BYRD, BAILEY, KEE, PERKINS, and MOLLOHAN.

My bill addresses itself to a very vital problem on which President Eisenhower has indicated a deep concern and which involves the welfare of all our people. That problem is the development of a sound national fuels policy which will restore the balance of competitive conditions among our several fuels industries. The end results will mean great benefits to the consumers of fuel and energy, and growing employment in a prosperous economy.

President Eisenhower recognized the importance and scope of this matter many months ago. In 1954 he set up 2 committees, 1 of which was designated the Advisory Committee on Energy Supplies and Resources Policy. This Committee was composed of the Director of the Office of Defense Mobilization and the Secretaries of State, Treasury, Defense, Justice, Interior, Commerce, and Labor. The committee was directed by the President:

"To undertake a study to evaluate all factors pertaining to the continued development of energy supplies and resources fuels in the United States, with the aim of strengthening the national defense, providing orderly industrial growth, and assuring supplies for our expanding national economy and for any future emergency."

The committee was further directed to "review factors affecting the requirements and supplies of the major sources of energy including: coal (anthracite, bituminous, and lignite, as well as coke, tars, and synthetic liquid fuels); petroleum, and natural gas."

On February 26, 1955, the committee's report was issued by the White House as "The White House Report on Energy Supplies and Resources Policy." The opening paragraph of the report states:

"The importance of energy to a strong and growing economy is clear. As conditions of supplies and reserves of coal, oil, and natural gas change, and as both defense and peacetime requirements come more clearly into focus, the bearing of Government policies upon energy needs reexamination."

The complete text of the White House report is part of the record of the hearings before this Committee on Natural Gas Act amendments.

I submit that the report and the fact of its incorporation into these hearings should guide the Congress in its consideration of legislation on natural gas.

The Congress should take a look at natural gas in relation to the whole field. It should seriously reexamine our supplies and needs, as the White House committee recommends, and we should give consideration to all of the provisions of the White House report as well as the recommendations of the Federal Power Commission, the agency charged with the administration of the Natural Gas Act.

The Natural Gas Act which was passed on June 21, 1938, has been amended in 1942, 1947, and 1954. This year we have the opportunity to amend the basic law in the public interest because we are faced with many problems to solve under present Government policies in administering the Natural Gas Act.

I am of the opinion that this Congress should not confine its legislative activity to only one phase of the many problems involved in the proper utilization and conservation of natural gas.

For that reason, I introduced and urge passage of H. R. 5068. My bill contains many provisions which have been recommended by the Federal Power Commission and by the White House Report on Energy Supplies and Resources Policy.

For example, section 1 of H. R. 5068 would amend subsection (b) of section 1 of the Natural Gas Act to give the Federal Power Commission jurisdiction over direct industrial sales of gas in interstate commerce. This is a change in the law requested by the Federal Power Commission as recently as 1953. It has also been recommended by the White House Report.

Under present policies, the Commission does not have jurisdiction over these sales with the result that large quantities of this scarce natural resource are being burned wastefully—and at prices which are subsidized, in some instances, by the consumers of gas whose prices are regulated by the Commission. Federal Power Commission regulation would not result in the elimination of such sales, but it should result in a more equitable allocation of the cost of producing and transmitting natural gas to the consumer, with consequent benefit to the gas consumers.

Section 2 of H. R. 5068 would establish statutory standards to be followed by the Federal Power Commission in the administration of the Natural Gas Act in respect to conservation of this resource. This section also is in accord with repeated requests by the Federal Power Commission to the Congress that its powers in the area of conservation should be broadened. The Commission already has general power to effectuate the proposed standards in my bill so that the enactment of H. R. 5068 would merely supply the necessary legislative mandate.

I think that the extremely limited reserves of natural gas make it imperative that Congress clearly authorize and direct the Commission to give effect to sound principles of

conservation in regulating the utilization of natural gas.

The Federal Power Commission has also endorsed the proposal contained in section 4 of H. R. 5068, which would define the term interstate commerce to include commerce between any point in a State and any point in a foreign nation.

Section 5 of H. R. 5068 would require natural gas companies to secure a certificate of public convenience and necessity when seeking authority to import foreign gas. The principal objective is to require that all import applications be subject to the same provisions that govern domestic applications for a certificate of convenience and necessity.

Section 6 of H. R. 5068 would amend subsection (a) of section 4 of the Natural Gas Act to prohibit the sale of natural gas at a price less than its cost, including the cost of transportation and sale, plus a fair proportion of the fixed charges. This section incorporates almost the exact language of the White House report which is part of the record of these hearings. The report says:

"Sales either for resale or direct consumption below actual cost plus a fair proportion of fixed charges which drive out competing fuels constitute unfair competition and are inimical to a sound fuels economy. The committee recommends, therefore, that appriate action be taken that will prohibit sales by interstate pipelines either for resale or for direct consumption, which drive out competing fuels because the charges are below actual cost plus a fair proportion of fixed charges."

In light of that clear injunction in the White House report that action is required on this particular aspect of natural gas regulation, I think the 84th Congress would be derelict in its responsibilities to the American people if it fails to include in any natural gas legislation a provision such as section 6 of H. R. 5068.

The White House report contains the recommendations of a highly respected, impartial committee of distinguished public servants saying that this is one of the reasons why the competitive conditions in our fuels industries are seriously out of balance.

As a Representative of a congressional district whose economy depends upon coal and railroads, this unfair competition from natural gas has thrown thousands of coal miners, railroad workers and other employees in related industries out of jobs.

Sections 7, 8, and 9 of H. R. 5068 round out the objectives of legislation which I feel is needed in the public interest.

The principles in H. R. 5068 must be enacted for the protection of the peacetime economy and for the maintenance of a strong mobilization base within the domestic fuels industry.

Wheat Shipments by the Bunge Corp.

EXTENSION OF REMARKS

OF

HON. CHARLES A. BOYLE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BOYLE. Mr. Speaker, on this date, after hearing numerous and repeated inferences on the floor of the House of Representatives regarding the Bunge Corp., of Minneapolis, I have introduced a resolution which would authorize the Judiciary Committee of the House of Representatives to conduct a full and complete investigation of the Department of Justice in dropping criminal charges against Robert F. Straub, Andre Herschler, Simon Kern, Walton F. Mulloy, and E. H. Thornton, Sr., all associated with the Bunge Corp., of Minneapolis, growing out of alleged misrepresentations in connection with certain wheat shipments.

In certain wheat shipments, which apparently were handled by these men on behalf of the Bunge Corp., of Minneapolis, the wheat shipments were "slugged"—filled with some high-grade wheat and some wheat that was unfit for human consumption—and then certified as being first-class wheat only, and in doing so fraudulently enabled the Bunge Corp., of Minneapolis to obtain $1,700,000 in subsidy payments. It seems incongruous that the company which these men were working with and for, the Bunge Corp., of Minneapolis, should plead guilty and pay a fine of $5,000 and then that the individuals actually involved should have criminal charges against them dropped because of insufficient evidence.

However, I am the last individual to rob citizens of their cloak of innocence, and as a member of the judiciary it is my desire merely to assist in every way possible to remove this subject from the field of controversy and suspicion.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. JOHN LESINSKI, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. LESINSKI. Mr. Speaker, Friday, March 25, was the 134th anniversary of the independence of the Greek people. One hundred and thirty-four years ago the Greeks rose up against their foreign rulers and for over 6 years of constant warfare and much bloodshed fought against the chains of their bondage. This rebellion brought about the birth of what today is modern Greece.

This anniversary date should be memorialized by everyone, for it marks the rebirth and rejuvenation of a nation that had been under a foreign yoke for four centuries. In spite of those long years of servitude and personal suffering, the Greeks did not lose the traits that had made their forefathers great. We all know the debt we owe the Greek nation, for many aspects of our modern civilization were developed from the knowledge and thinking of the early Greeks. Even today, many of their findings are being rediscovered.

As an American, I am proud that in recent times our Nation came to the assistance of the Greeks and provided them with military, economic, and technical assistance. Our military aid helped prevent the Communists from subjugating the people of Greece and reducing them to the status of slaves. Our economic and technical assistance gave the nation a chance to rejuvenate itself and to build the internal strength that is so needed.

This day should be proclaimed to the world, for it symbolizes the thinking of every person who has suffered under foreign oppression. Four hundred years was a long time but it could not still the heart and the will for freedom. The courage and determination of the Greeks are reflected in their freedom. By proclaiming their independence day to the world, we show to the people of the world a shining example of hope for the future, and further ingrain and strengthen in the minds and hearts the determination, so passionately desired, to remain free of any oppression.

American Interests Build 6,054,831 Tons of New Ships in Foreign Yards—United States Yards Lose $1,800,000,000

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. WOLVERTON. Mr. Speaker, the extent to which big corporations of our country desert our American shipbuilders and build their ships in foreign yards is astonishing and highly distressing. It is no wonder that our American shipyards are in such a distressed condition for lack of work. It is no wonder that our ship workers are walking the streets unemployed. The very corporations that are ignoring American yards and going abroad to have their ships built are the very ones that will cry loudest for protection in the time of emergency.

Every sensible person must know that our shipbuilding industry and the trained personnel to operate it cannot continue to exist without work. And yet, while claiming all the benefits of American citizenship, these large corporations will build their ships in foreign yards and let our own shipyards dwindle to a state of inadequacy. This is not ultimately to the best interest of the corporations to which I refer, nor is it to the best interests of our country or its people.

The importance of this matter has been recognized by Marine Engineering in an extremely well-prepared and documented article by L. S. Blodgett, editor of that magazine. This article is replete with factual information that supports in every detail the statements and conclusions of the editor. I will not dwell upon all the facts and figures. Yet, there are some I will mention as an illustration of the important figures that are contained in the article.

For instance, in the postwar period ship orders placed abroad have resulted in losses to the shipbuilding industry in our country, employment and purchasing power totaling $1,800,000,000 and these losses affect every 1 of the 48 States. It is my intention at a later date to extend my remarks in the RECORD to include facts that will show the detrimental effect a dwindling shipbuilding

industry has in every State. Furthermore, the article shows that now only 14 merchant vessels of the 1,347 under construction in the world's shipyards are being built in this country. And so I might continue, piling fact upon fact and figure upon figure to show the dismal picture that now exists and prove the distress that follows our neglect of a full and adequate shipbuilding program.

Marine Engineering has performed a great service, not only to the shipbuilding industry and its workers but to this Nation of ours, in bringing pertinent facts and figures to the attention of the American public that should awaken it into action. I fully agree with the suggestion that we need a long range legislative program that will:

First. Encourage American shipowners to build and operate ships under the American flag. In 1954 United States flagships carried only 29 percent of this Nation's foreign trade;

Second. Insure a modern flag fleet, adequate shipbuilding facilities, and an effective force of trained workers to meet any national emergency; and

Third. Expand the market for the wide range of materials used in shipbuilding which originate in every 1 of the 48 States.

I hope this national problem will have the full thought and consideration by the present administration and that a long-range remedial legislative program will result.

Advisory Committee on the Watch Industry

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement:

CELLER, AS DELEGATION SPOKESMAN, DEPLORES ADMINISTRATION'S ACTIONS IN WATCH CONTROVERSY AND CALLS FOR PROMPT CORRECTIVE MEASURES

A strong indictment of recent administration actions aimed at curtailing imports of Swiss watches and a demand for prompt review of the damaging consequences to our national interest are highlights of a 26-page statement filed with the new ODM Advisory Committee on the Watch Industry. The detailed document has been presented on behalf of a delegation composed of 16 Democratic Congressmen, including Representatives Victor L. Anfuso, Charles A. Buckley, Emanuel Celler, Irwin D. Davidson, Isidore Dollinger, Herman P. Eberharter, Sidney A. Fine, Aime J. Forand, Lester Holtzman, Edna F. Kelly, Eugene J. Keogh, Arthur G. Klein, Abraham J. Multer, Leo W. O'Brien, John J. Rooney, and Herbert Zelenko, plus Governor Harriman, of New York State; Mayor Wagner, of New York City; Commissioner Edward T. Dickinson, of the State of New York Department of Commerce; Commissioner Richard C. Patterson, Jr., of New York City Department of Commerce and Public Events; and First Deputy Commissioner Martin Dodge, of the New York City Department of Commerce and Public Events.

The delegation's spokesman, Representative EMANUEL CELLER, Democrat, of New York, in his accompanying letter, called on ODM Director Arthur S. Flemming to instruct the members of the new committee to give a new look and full consideration to the Defense Department's recently declassified study of the jeweled-watch industry which found that "no special nor preferential treatment for the industry is necessary." The Congressman, in pointing out that the delegation's statement had been prepared prior to the release by the Department of Defense of its long-classified study, also called attention to Dr. Flemming's testimony before the Senate Armed Services subcommittee on June 30, 1954, in which the ODM Director "emphasized the very essentiality which this declassified Defense report negates."

In amplifying on this charge, CELLER added:

"We must assume that you were familiar with the Defense findings, and are, therefore, most interested in the source of the facts upon which you based your differing conclusions. Undoubtedly, the report of the Senate Armed Services subcommittee, which was forwarded to the President, was influenced by your testimony. It had about it, shall I say, the halo of your authority and prestige, and probably contributed to the President's decision to accept the Tariff Commission's recommendation to increase the tariff on watches. Thus, we look forward to receiving your comments on this situation and trust that any damage resulting from your statement will be ameliorated at the earliest possible date."

The delegation's statement is highly critical of the ODM report which found that the skills of the four domestic jeweled-watch companies were essential to national security. It points out that this report runs directly contrary to a comprehensive review of the jeweled-watch industry conducted by the Department of Defense, which determined that all military items produced by the four watch manufacturers can also be procured from nonjeweled segments of the American watch industry and from dozens of the foremost United States companies outside the timing industry. The statement includes an analysis of the ODM report's five conclusions and presents facts and figures to validate the delegation's indictment of the report's findings as being obscure and unsubstantiated.

The detailed document also emphasizes that recent administration actions against watch importers were motivated largely by the ODM report. The delegation claims that, by accepting the flimsy argument of defense essentiality for the four jeweled-watch producers, the Government has "opened a Pandora's box by which hundreds of industries may seek the benefits of high tariffs against foreign competition on the grounds of defense essentiality."

"The administration," according to the statement, "could have used one or more of the direct aids mentioned by ODM—defense contracts, technical training, etc.—which would have avoided the necessity for tariff increases, and would have been in accord with our traditions of fair play and competitive enterprise. Raising tariffs against a friendly nation to achieve such a goal, on the other hand, is contrary to America's long-range interest."

The administration's actions in the watch controversy, according to the delegation's strongly worded presentation, sets a precedent which can easily undermine the reciprocal trade program envisaged by the Congress. The document is sharply critical of the administration for frustrating the will of Congress in its efforts to expand international trade. It states that "the protectionist actions taken by the administration in an attempt to assist the four domestic jeweled watch producers is threatening to cause America to turn back the clock, figuratively speaking, to the 1920's in the matter of tariff rates."

The statement points out that the 50-percent boost in watch tariffs last July, followed by other administration attacks on imports, was causing severe injury to the watch importer-assembled industry which brings "over $250 million yearly into the New York area and their urchase of goods and services result in further circulation of $150 million annually in the region." It emphasizes that the jobs of tens of thousands of workers, many of whom are highly skilled, are jeopardized by the curtailment of imports. The analysis also cites the fact that in Pennsylvania and Rhode Island there are "a sizable number of jewelry manufacturers who furnish parts as subcontractors to the hundreds of watch importer-assemblers. Any Government action leading to a curtailment of their operations is an economic blow to these States as it is to New York."

In its conclusion, the delegation charged:

"Apparently, the present situation adds up to the fact that the administration is endeavoring to do indirectly what it cannot and dare not do directly. It is administratively increasing the tariff and setting up all kinds of barriers against importation of a product without consultation with the Congress. Through the various agencies involved, the administration is using subterfuge and unsubstantiated arguments to hamper and obstruct the importation of Swiss watches and watch parts. * * *

"We also urge the committee to determine whether the Government moves against importers have actually helped the four domestic producers or have merely injured the importer-assemblers and the Swiss. It is our conviction that these actions have been contrary to America's best interest.

"Finally, we respectfully suggest that the new committee conduct full and complete hearings, giving all interested parties an opportunity to appear, and that those in Congress who are interested in these deliberations be kept advised as to the progress of your studies."

The Staff of Life

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include a statement which I made today during the hearings on H. R. 2851 before a subcommittee of the House Committee on Agriculture. This bill would provide for the processing of grain into forms suitable for distribution to needy persons in the United States. I wish to impress upon my colleagues the importance of this measure, and the need for immediate favorable action being taken.

The statement follows:

Mr. Chairman and members of the committee, I am deeply appreciative of this opportunity to appear before this distinguished committee in behalf of H. R. 2851. This bill is similar to H. R. 2824, which I have introduced, and to bills which various other Members have sponsored. It would provide for the payment by the Commodity Credit Corporation of the cost of processing wheat and corn into a form suitable for home or institutional use (for example, flour and cornmeal) for distribution to

needy persons in the United States under authority of either section 407 or 416 of the Agricultural Act of 1949, as amended. Under the present law, wheat and corn cannot be processed into flour and meal respectively at the expense of the Commodity Credit Corporation prior to distribution in the United States.

Mr. Chairman, in my opinion, this legislation is a must. In West Virginia, we are experiencing a depression. All throughout the coal-producing sections of that State are idle tipples, idle railroad cars, deserted shafts, and mine after mine closed down. During the past 3 years, at least 150 commercial mines have closed in the State, idling thousands of miners. Add to these the thousands who depend on coal for a livelihood—railroad workers, storekeepers, service station owners, and a host of others—and we begin to get the picture of a real depression in coal-producing areas.

When I think of the distressed conditions prevailing in my State, I am reminded of the Biblical plagues of Egypt. There can be no greater affliction than that of unemployment, starvation, privation, and want, and it is most perplexing and paradoxical that such a situation could exist in a land of plenty. Thousands of families are without food, unemployment compensation checks have been exhausted, more and more demands are being made for free lunches in the public schools, and the specter of poverty stalks the countryside. Many of these families have barely been able to keep body and soul together with surplus food commodities which have been made available. In my 4 counties—Boone, Kanawha, Logan, and Raleigh, which have a population of 446,466—there are a total of 85,829 men, women, and children for whom surplus commodities constitute the principal source of food supply. This is almost 20 percent of the entire population in my district. There are 250,000 persons certified to receive commodities in West Virginia, and this figure represents one-eighth of our total population.

These people are of a noble race. They are good taxpayers, they are hard workers, they make excellent soldiers, and they are American to the core. Our Government has a responsibility to them. The precept that we are our brother's keeper has been assiduously followed with reference to our fellow human beings all over the world, but charity begins at home; and while we have been liberal in providing a helping hand to our brothers in foreign lands, we have been, in a manner, negligent concerning our own flesh and blood. Under title 2 of Public Law 480 of the 83d Congress, certain surplus agricultural commodities may be made available to meet famine or other urgent relief requirements overseas. Wheat, for example, has been shipped overseas under authority of this title as both raw wheat or as flour, depending upon the needs of the particular situation. It would be a serious indictment of governmental policy to continue to fail to provide flour for our own needy peoples.

At the present time certified individuals are being given butter, shortening, cheese, milk, rice, and beans. I and my people are grateful for these, but bread is the staff of life. The average American does not know what it is to sit down to a meal without bread. The recipients of surplus commodities have every right to expect and demand that flour be supplied them. The wheat with which our storehouses are bulging has been procured with money from the taxpayers' pockets, and when the American taxpayer needs this grain for his very existence it is only right that it be provided. The cost of processing grain would likely be no greater—if, indeed, as great—than the cost of keeping it in storage, and I am sure that it would be far better to pay whatever cost is necessary to provide hungry people with food than it would be to continue wasting the taxpayers' money in warehousing costs.

In the days of Pharaoh, Joseph, in his wisdom, advised that food be stored during the 7 plenteous years for use against the 7 years of famine, and "in the 7 plenteous years the earth brought forth by handfuls" and "the 7 years of dearth began to come, according as Joseph had said. And the dearth was in all lands, but in all the land of Egypt there was bread * * * and Joseph opened all the storehouses."

Mr. Chairman, there is a virtual famine in some areas of our own country today; but, unlike the land of Egypt in Joseph's day, there is no bread, and unlike Joseph who opened all the storehouses, we are foolishly keeping them closed. Is this justice?

Shakespeare, in that magnificent work of genius, the Merchant of Venice, placed in the mouth of Portia these words:

"The quality of mercy is not strained; it droppeth as the gentle rain from heaven upon the place beneath * * * it is enthroned in the hearts of kings; it is an attribute to God Himself; and earthly power doth then show likest God's when mercy seasons justice."

Mr. Chairman, our people ask not for mercy; their plea is for justice. I urge the committee to act favorably upon this legislation in order that the unemployed and their children may have bread.

I am grateful, again, for this opportunity and privilege to give you this expression of my views on such an important matter. You have been kind to listen. With your permission, I shall include a letter which I have just received from Mr. Waggy, West Virginia State supervisor, division of commodity distribution. The letter follows:

"Hon. Robert C. Byrd,

"House of Representatives,

"Washington, D. C.

"Dear Congressman Byrd: We have understood that it might be possible to receive flour processed from Government wheat for distribution to needy unemployed families. We have 250,000 persons certified to receive commodities in West Virginia, and flour would greatly add to the diet of these persons, in that we now have butter, shortening, cheese, milk, rice, and beans.

"We get numerous requests daily for flour for distribution and would appreciate it very much if this item could be made available.

"Yours very truly,

"William Waggy,

"State Supervisor, Division of Commodity Distribution."

Protection Against Bodily Attack to Uniformed Members of the Armed Forces

EXTENSION OF REMARKS

OF

HON. CHARLES A. BOYLE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BOYLE. Mr. Speaker, today I have introduced for appropriate reference a bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard.

A number of Senators—the Senator from New York [Mr. Lehman], the Senator from Kentucky [Mr. Clements], the Senator from Illinois [Mr. Douglas], the senior Senator from Rhode Island [Mr. Green], the Senator from Missouri [Mr. Hennings], the Senator from Minnesota [Mr. Humphrey], the Senator from Massachusetts [Mr. Kennedy], the Senator from North Dakota [Mr. Langer], the Senator from Washington [Mr. Magnuson], 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]—have introduced a similar piece of legislation.

This bill is not new or novel. Similar bills were introduced in 1944 with the active support of the then Secretary of War Henry L. Stimson, in 1951, as an amendment to the universal military training bill, and during the 83d Congress.

This bill should be enacted by this session of Congress.

The purpose of this bill is to extend to members of the Armed Forces of the United States the protection of the Federal Government of the United States against bodily attack while such personnel are on duty or on account of the performance of their duty. The bill provides Federal sanctions against unprovoked physical assault on uniformed military personnel if committed while such personnel are engaged in performance of duty or on account of the performance of duty.

From experience we know that there are many localities in our country near which are located military bases where the local police authorities are inadequately staffed and do not possess the resources by means of which they can give adequate protection to the military personnel. Such protection by the Federal Government is already extended to many categories of Federal officers and employees, including members of the Coast Guard.

Only within the past year or 2 we have had a Federal grand jury accuse an entire police force of a small locality in the southern part of the United States for failing to provide protection for the soldiers on leave in the town, and where unprovoked attacks against military police were frequent. Press reports indicated that the local police force was involved in importing illegal liquor, protecting prostitutes, and maintaining gambling establishments. The military police were most seriously hampered in trying to carry out their duty, and this community had to be closed off to all military personnel.

This, of course, is not true of all the communities near which military establishments are located but because it can happen and because it is possible that the military personnel will not receive adequate protection we should enact this law which will provide for adequate protection by the Federal Government to our men and women in the service, regardless of race, creed, color, or national origin.

As I See It

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, trying to describe to the home

folks the situation as it exists here is not a pleasant nor is it a simple task. This for the reason that the present outlook is for billions of additional tax dollars, conscription for universal military service, greater hardship for those without jobs, and no adequate remedy in sight for the immediate future. Now, as some radio commentators say, the details or specifications.

The increase in pay for Members of Congress and for the Judiciary is estimated to cost approximately $5 million.

The conscription act passed by the House on February 8, 1955, calls for a minimum annual expenditure of $36 billion.

The bill increasing the pay of men in the armed services, passed March 10, will cost approximately an additional $745 million.

The contemplated increase in the pay of postal employees is estimated to cost an additional $200 million.

Additional pay for other Federal employees is figured at $325 million.

One phase of foreign aid calls for $3 billion.

The President, on March 11, reiterated his promise to keep our Armed Forces—250,000 fighting men, additional thousands of civilians—in Europe until there is no threat of war from Russia. Just when that will be, what it will cost, your guess is as good as anyone's.

By the adoption of the Formosa resolution, we promised to defend Formosa and any other territory the President might decide if and when Chou En-lai attempted to take that island as he has promised the world he will do. We authorized the President to use the Armed Forces for that purpose when and where he pleased.

Today's press states that Senate Democratic Leader LYNDON B. JOHNSON described talk of a war to defend two of the islands as "an irresponsible adventure for which we have not calculated all the risks."

Why authorize the President to exercise his judgment; then, when he does, complain?

Then, to finish the job there is in the hopper, with supplementing legislation in sight, a demand for universal military training for a period of 8 years with a possibility of an additional 2 years or a total of 10 years—120 months—confronting the youth of our land.

Oh, yes. Several hundred letters have come in from employees demanding that the minimum wage be increased to $1.25 per hour. Personally, I have no idea how many employers can pay $1.25 an hour, continue in business, create, and give jobs. Nor do I know the price at which the things produced by such employees and management must be sold; nor where the prospective customers are to get the purchase price to buy and so keep folks employed. Nor do I know whether or how many industries in small towns and cities will be forced to fold up because they cannot meet the competition of the billion-dollar corporations, which perhaps can pay a guaranteed annual wage at that rate.

Hope you are doing some serious thinking. Know I am.

Yalta: What Happened and the Price We Are Paying

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HOSMER. Mr. Speaker, up to this time the most well-publicized result of the Yalta Conference has been the sell-out of Poland and the Eastern European nations. Poland, the Balkan nations, and all the rest have Communist governments today because of the deals made at Yalta.

What happened in Europe as a result of Yalta was bad enough, but what happened in Asia was even worse as far as the interests of the United States are concerned.

As a result of a secret deal made at Yalta, concessions were given to the Russians which paved the way for the Communists to take over China. The Korean war, the war in Indochina, and the crisis in Formosa resulted directly from the fact that China went Communist.

The Yalta deal contributed in two ways to the Communist victory in China.

Turning over to the Russians rights to the jugular-vein Manchurian Railway and the warm-water ports, together with the recognition of Outer Mongolia as a satellite state, were concessions which materially assisted the Communists in their struggle with the Nationalists.

In addition, the fact that this agreement was made without the Nationalist Chinese being consulted had a disastrous effect in destroying the face of Chiang Kai-shek and the Nationalists once the deal became publicly known, soon after it was made.

In light of this, the restraint with which the two top men in our Government have handled the situation is remarkable, indeed. It was commented on in the following editorial appearing in the Long Beach Press-Telegram newspaper on March 24, last:

RESTRAINT, FAIRNESS DISTINGUISH IKE, NIXON VIEWS ON YALTA TALKS

Both Republicans and Democrats can take instruction from the words of President Eisenhower and Vice President NIXON about the Yalta papers.

The two top national leaders set an example of fairness and restraint.

In the long run this attitude can do much more for administration and party prestige than can be done by fighting with the past.

The people still appreciate the Golden Rule.

The President made two main points in his reply to questions on the subject at his news conference yesterday:

One, there is nothing to be gained by going back 10 years and, in the light of subsequent events, trying to show that someone may have been wrong or right. Documents such as the Yalta papers should not be used to damage reputations.

Two, there is nevertheless a value in studying such documents. They may be considered with a view to profiting from mistakes which were made.

To learn from history, but not to judge the motives of its makers by hindsight—that is an attitude reflecting intellectual maturity and real statesmanship.

There is no conflict between this attitude and the approval of public circulation of the Yalta documents. The publication of a fact is not in itself an act of condemnation.

Vice President NIXON, who has always been a severe critic of the products of the secret Yalta Conference, refused in a speech several days ago to accept the interpretation by a partisan in his audience that Yalta was a sellout.

He did stick to his guns when commenting on the results of the conference. The fall of China to the Reds could be laid directly to the door of the Yalta pact and "of course it naturally followed that we had a war in Korea and one in Indochina." He said there was no doubt that concessions given to the Russians in the pact were detrimental to the United States and the free world. That's a statement with which anybody, regardless of politics, should be able to agree.

However, NIXON continued, "The reason the concessions were made was that the leaders of the free world simply didn't know what the Communist animal was like. Another reason was that we badly needed Soviet support at the time for the conquest of Japan. I don't believe there actually was any deliberate attempt to sell us out to the Communists."

That is a fair comment. But we wonder if some partisans will eventually twist it around, as they have twisted NIXON's comments on other matters, to make it appear that he has smeared the opposition.

In any event, it occurs to us that historical events may do for American politics what Winston Churchill says the atom bomb may be doing for world peace.

The great depression as a political issue in a sense of balances off the Yalta Conference. Both sides having such ammunition in the stockpile of past events, they may decide it would be unprofitable for either to fight with that kind of stuff.

If Consumers' Purchasing Power Does Not Keep Pace With Production, Boom Will Come to Quick and Disastrous End

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. PRICE. Mr. Speaker, under permission to revise and extend my remarks I call attention to a remarkable final paragraph in a column by Carroll Kilpatrick in the Washington Post and Times Herald. This paragraph, after the column reviews the economic progress of America, says that the one "great problem now is to make sure that consumers have the income to purchase goods the factories can produce. If purchasing power does not keep pace the boom will come to a quick and disastrous end."

Mr. Speaker, we heard a good deal about fiscal irresponsibility when the Democrats in this House passed a tax measure that would have bolstered purchasing power among the great bulk of families in the low-income and middle-income brackets.

Now we hear soft and tinkling suggestions from spokesmen of the admin-

istration that next year maybe—an election year—it might be just possible for us to have some tax cuts.

The businessmen with whom the administration spokesmen foregather seem to have little interest, however, in tax cuts to bolster purchasing power among the bulk of families. They want tax cuts for themselves—tax cuts giving the cream of the relief to those who already have most of the luxuries as well as the necessaries of life.

We are going to have a fight about tax cutting next year, obviously, and some of us are going to feel that the cuts should be applied one way, others will feel they should be applied another.

To me it is the height of fiscal responsibility to say that continued prosperity depends on spreading purchasing power, that relief should go to those to whom $100 saved in taxes means $100 more to be spent from a modest sum on food, shelter, clothing, education, and health.

Our factories are marvels of productive efficiency, but they will grind to a limping pace unless the consuming power of ordinary millions of Americans is steadily broadened.

I offer for the RECORD the entire column which I mentioned, and call particular attention again to its final paragraph:

UNITED STATES AT NEW STAGE IN WEALTH PRODUCTION

(By Carroll Kilpatrick)

A big book of more than 1,100 pages weighing as much as the Federal budget came out last week with the conclusion that this great bastion of capitalism has drawn nearer the socialist goal of abundance for all in a classless society than any other country. In the last quarter century we have experienced a fantastic increase in the capacity to produce and a significant trend toward equalization of living standards.

Millions of Americans now in middle life have seen a greater change in the patterns of life and material standards of living than all the previous centuries of Western civilization, according to the book, America's Needs and Resources, published by the Twentieth Century Fund under the direction of J. Frederic Dewhurst.

The volume is full of tables on industrial production and capacity and on the problems of an expanding population and rapidly developing technology. It says that technology is our primary resource. For example, the same labor force in 1939 could mine 47 percent more coal than it could in 1929. And every ton of coal we burn for power today yields about six times as much energy as it would have in 1900.

More astounding is the fact that in 1939 the same number of persons employed with the same degree of utilization of equipment could have produced 22 percent more goods than in 1929. In 1900, an average farm worker produced enough for himself and 7 others whereas now he produces enough for himself and 14 others.

Yet in all these years of high production except the war years nearly every industry has operated below capacity. Even in 1929 only the steel and machine tool industries were producing at near capacity; the transportation industry in that boom year could have doubled the tonnage it carried. Without much effort the automobile industry today could double or even triple its output of cars and trucks.

These figures help us to understand the significance of the big news from the steel industry. Eugene G. Grace, chairman of Bethlehem Steel, announced that his company would have to add 8 million tons of capacity in the next decade merely to hold its position in the industry.

Benjamin F. Fairless, retiring chairman of United States Steel, announced that "if our corporation is to continue to hold its present position of leadership in the industry, at the peak of the prospective demand, we shall have to create the equivalent of 1 new Fairless Works about every 2 years throughout the next 2 decades." That would mean adding 1.1 million tons of ingot capacity every 2 years.

Contrast those optimistic statements with the gloomy report of a United States Steel official in 1946, who then predicted that in the long run the industry would operate at about two-thirds of capacity. The next year the president of another large steel company told a Senate committee that the demand for steel in 1955 would be about 78 million tons.

Actually, the demand this year will be about 40 million tons more than he predicted. If his prediction had come true we would have at least three times as many unemployed as we have today. Steel is a basic commodity that provides in its production index an excellent barometer of business conditions.

If the industry should fall much behind in meeting its orders it would itself generate stoppages in other industries and cause serious unemployment. Mr. Fairless reported that in recent months the demand for steel had exceeded capacity by a "considerable percentage." This is not a healthy situation although the backlog of orders is not yet seriously retarding any other industry. But if the steel industry failed to expand it soon would drag American business down into a new depression.

The greatest increase in basic producing capacity has taken place in the last decade. Hence, the social and economic problems that the new technology produces are now on our doorstep to a larger extent than ever before. Capacity in basic manufacturing industries increased at an average rate of 3.9 percent in the prosperous twenties, 1.8 percent in the depressed thirties, and 9 percent in the spectacular forties. Except in steel and 1 or 2 other industries there is no longer any impressive shortage of producing capacity; there is adequate capacity or the means for building it.

The great problem now is to make sure that consumers have the income to purchase goods the factories can produce in ever-expanding amounts. If purchasing power does not keep pace the boom will come to a quick and disastrous end.

Col. Robert R. McCormick

EXTENSION OF REMARKS

OF

HON. CHARLES A. BOYLE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. BOYLE. Mr. Speaker, the news of the death of the great tycoon of the publishing field, Col. Robert R. McCormick, comes as a shock to many citizens of this country. The Chicago Tribune and Colonel McCormick are synonymous to most of us. Seldom has a publisher been so personally and colorfully identified with the publication he controls. The two have been known to all of us for their unyielding position on the issues which the colonel considered of paramount importance in this Nation.

As a Democrat I was more often in disagreement than in harmony with the great publisher, but I have respected his devotion to the principles in which he believed, and I wish to pay tribute to a great fighter who never backed away from a fight; never yielded ground to the opposition, and always upheld democratic principles as he saw them.

My personal admiration for the colonel's rugged individualism dates back to the period when I as a boy delivered the Tribune to Chicagoland homes. I have watched the functioning of his tremendous organization under his careful stewardship from that time to this.

In these days of political lethargy, where party lines frequently become blurred and differences are often mere shades of difference, I believe the colonel has made a real contribution by painting in bold, clear, decisive colors his policy and the policy of his paper.

I believe that this type of fighting opposition is typically American. Whether the opposition is of a liberal or conservative stripe, this is a contribution to our democratic heritage. A heritage that places among its highest values the right to disagree and the freedom of the press.

Colonel McCormick was a rebel within his own party who fought the New Deal and the new and more progressive elements within the Republican Party with equal fervor. The late Joseph Pulitzer was a different kind of a rebel. This great liberal publisher of the St. Louis Post-Dispatch was a rebel against the old guard and a proponent of the new and the liberal approach to America's problems.

The fabric and texture of American democracy must always be sufficiently strong and malleable to accommodate every type of political opinion. The lives of these two great publishers are a tribute to our form of democracy. As a Member of this great legislative body, I should like to place on record today a personal tribute to both of them.

Suspicious of a Military Government

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

Mr. HOFFMAN of Michigan. Mr. Speaker, some think I am altogether too suspicious of the objectives and procedures of the armed services. Benjamin Franklin once said:

> Experience keeps a dear school, but fools will learn in no other. We may give advice, but we cannot give conduct.

Congress tries to prevent waste, inefficiency, but—read on.

It is not my contention that we are fools, but sometimes it seems we are foolish in not insisting upon reforms in Government.

In 1947, following hearings over several years, it was my privilege, as chairman of a House committee, to assist in writing and reporting out the so-called unification bill. One of the purposes of that bill was to maintain the integrity of the Marine Corps; another was to minimize and, if possible, end waste in connection with duplicate purchasing, competitive bidding, by the Army, Navy, and Air Force.

As I stated at the time, the bill did not require the doing of anything which the Armed Services could not voluntarily do were they so inclined.

That our legislation was not effective, did not accomplish the purpose the committee and the Congress had in mind, you will learn if you read the article captioned "Ridiculous Waste in the Armed Services" in the April 1955 issue of the Reader's Digest.

Ignoring the repeated efforts of the Congress, the armed services have insisted upon following their own ways of doing business—many of them ridiculous—many of them wasteful—many of them inefficient. Congressional committees continue to hold hearings, make recommendations; have them disregarded.

From the Digest article, permit just three citations:

First. Fort Totten in New York harbor needed a carload of sugar. Almost within sight was a refinery turning out sugar for the Army, but instead of shipping the sugar across the harbor to the fort, it was shipped through Army channels, 150 miles away to an Army distributing depot, thence, back to New York—300 miles in all.

Second. The Army shipped 800,000 pounds of California canned tomatoes to the east coast, but the Navy also shipped 775,000 pounds of east-coast tomatoes to California.

Third. Just one more—and believe it or not, investigators for the Hoover Commission learned that 13 tons—13 tons—of cement were shipped by air to Bermuda.

This Reader's Digest article may give you an inkling of why, after years of experience here, I am just a little unwilling to accept at face value everything said and done by the armed services.

I cannot accept the armed services' conclusions that it is necessary in order to defend the United States of America to conscript every mentally and physically fit young American for a period of 8 years—96 months—to take orders from the armed services—when we have an unequalled Navy, the guided missiles, the A-bomb, and the hydrogen bomb.

Have we swallowed too much fear propaganda?

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 29, 1955

The House met at 12 o'clock noon.

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

Most merciful and gracious God, we rejoice that Thou art always accessible and available unto us when we come unto Thee in humility and with a penitent and contrite heart.

Help us to face the tasks and responsibilities of this day with the spirit of adventure and hope. Make us more impervious to those devastating moods of fear and worry which so frequently assail us and play havoc with our peace of mind.

We are daily praying that the life of our Republic may be more firmly rooted in the religious ideals and principles of the Founding Fathers who took God into account and sought to respect and obey His divine law.

Grant that we may also continue to pray and labor for the blessedness of all mankind, for our human race is one in origin and destiny and must be one in a great fellowship of sympathy and service and of brotherhood and good will.

Hear us in Christ's name. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 85. Concurrent resolution authorizing the printing as a House document the pamphlet, Our American Government, What Is It? How Does It Function?

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 39. An act for the relief of Stanislavas Racinskas (Stacys Racinskas);

S. 46. An act to further amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm, and for other purposes;

S. 72. An act to provide that certain lands acquired by the United States shall be administered by the Secretary of Agriculture as national forest lands;

S. 128. An act for the relief of Francis Bertram Brennan;

S. 129. An act for the relief of Miroslav Slovak;

S. 131. An act for the relief of Bohumil Suran;

S. 143. An act for the relief of Kurt Glaser;

S. 163. An act for the relief of Philopimin Michalacopoulos (Mihalakopoulos);

S. 167. An act for the relief of Ernesto De-Leon;

S. 195. An act for the relief of Giuseppe Minardi;

S. 243. An act for the relief of Szjena Peison and David Peison;

S. 244. An act for the relief of Anna C. Giese;

S. 245. An act for the relief of Ahmet Haldun Koca Taskin;

S. 246. An act for the relief of Marina Bernardis Zivolich and Mirko Zivolich;

S. 271. An act for the relief of June Rose McHenry;

S. 323. An act for the relief of Luigi Orlando;

S. 348. An act for the relief of Charlampos Socrates Iossifoglu, Nora Iossifoglu, Helen Iossifoglu, and Efrossini Iossifoglu;

S. 349. An act for the relief of Aron Klein and Zita Klein (nee Spielman);

S. 350. An act for the relief of Siegfried Rosenzweig;

S. 351. An act for the relief of Ellen Henriette Buch;

S. 352. An act for the relief of Isaac Glickman, Reghina Glickman, Alfred Cismaru, and Anna Cismaru;

S. 375. An act for the relief of Alexy W. Katyll and Ioanna Katyll;

S. 378. An act for the relief of Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato);

S. 386. An act for the relief of Sandra Lea MacMullin;

S. 394. An act for the relief of Ali Hassan Waffa;

S. 409. An act for the relief of Inge Karup;

S. 412. An act for the relief of Jan Hajdukiewicz;

S. 416. An act for the relief of Anastasia Alexiadou;

S. 429. An act for the relief of Franciszek Janicki and his wife Stefania Janicki;

S. 432. An act for the relief of Aniceto Sparagna;

S. 465. An act for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford;

S. 466. An act for the relief of Capt. George Gafos, Eugenia Gafos, and Adamantios George Gafos;

S. 471. An act for the relief of Aina Brizga;

S. 474. An act for the relief of Maria Elena Venegas and Sarah Lucia Venegas;

S. 481. An act for the relief of Gerard Lucien Dandurand;

S. 503. An act for the relief of Cirino Lanzafame;

S. 585. An act for the relief of Dr. Chang Ho Cho;

S. 599. An act to prohibit the transportation of obscene matter in interstate or foreign commerce;

S. 600. An act to amend title 18 of the United States Code, relating to the mailing of obscene matter;

S. 632. An act for the relief of Jan R. Cwiklinski;

S. 640. An act for the relief of Roger Oullette;

S. 734. An act to amend title 18, United States Code, section 871, to provide penalties for threats against the President-elect and the Vice President;

S. 735. An act for the relief of Sarah Kabacznik;

S. 802. An act to amend the Universal Military Training and Service Act, as amended, to remove the requirement for a final physical examination for inductees who continue on active duty in another status in the Armed Forces;

S. 804. An act to amend section 201 (e) of the Career Compensation Act of 1949, as amended, to provide for advance payments of certain pay and allowances of members of the uniformed services, and for other purposes;

S. 891. An act for the relief of Chokichi Iraha;

S. 948. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 1021. An act for the relief of Leo A. Ribitzki, Mrs. Charlotte Ribitzki, and Marion A. Ribitzki;

S. 1166. An act to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended;

S. 1167. An act to amend the Soil Conservation and Domestic Allotment Act; and