for both sides, to say nothing of the avoidance of tension and physical violence now widespread elsewhere.

Mr. Speaker, I believe there is a lesson in this from which other areas in the country might well profit. As a tribute to a successful labor-management cooperation in my own State, and for the benefit it may have for others, I ask that the release to which I have referred be printed at this point in the RECORD.

TEN-YEAR LOW OF STRIKE ACTIVITY IN CALIFORNIA

Idleness in California due to labor-management disputes was lower in 1954 than in any of the last 10 years, Ernest B. Webb, California director of industrial relations, announced today. Work stoppages during the last year caused 1,070,000 man-days of idleness. This represents a 64-percent drop from 2,960,000 man-days idle in 1953.

The number of workers involved in California work stoppages beginning in 1954 was 88,100, well under half of the 1953 figure of 210,000. In only 1 of the last 10 years did fewer workers participate in strikes. That year was 1949.

Altogether last year there were 206 stoppages compared with 269 which began in 1953. In only 2 of the last 10 years, 1945 and 1948, California had fewer strikes than were counted in 1954.

The largest work stoppages in 1954 in terms of man-days idle resulted from 3 disputes, 1 in the lumber and 2 in the rubber industry. These were 3 multi-State disputes affecting California; they accounted for more than 40 percent of all man-days idle in the State in 1954.

Major issues: Nearly 90 percent of California's strike idleness in 1954 resulted from disputes over wages, hours, and wage supplements, such as welfare and pension plans. Inter- and intraunion disputes (sympathy, jurisdictional strikes, etc.) played a very small role in the strike picture of last year, resulting in less than 1 percent of all man-days idle.

Los Angeles metropolitan area: Strike idleness in the Los Angeles metropolitan area decreased sharply last year. Man-days of idleness dropped by 61 percent between 1953 and 1954—from 957,000 to 373,000.

The number of workers involved in Los Angeles strikes in 1954 was 44,700, about 22 percent less than the 57,000 workers idled in 1953.

Last year 88 work stoppages occurred in the Los Angeles metropolitan area. This was nearly one-third less than the 122 stoppages counted in 1953.

San Francisco-Oakland metropolitan area: A similar sharp reduction of strike idleness occurred in the San Francisco-Oakland metropolitan area where 186,000 man-days idle were reported in 1954. This was 75 percent below the 731,000 man-days idle in 1953.

The number of workers involved in strikes decreased even more sharply, about 80 percent. In the past year 11,100 workers, contrasted with 58,900 workers in 1953, participated in strikes.

Work stoppages beginning in 1954 numbered 70 compared with 81 in 1953.

Area	Stoppages beginning in year				Man-days idle during year	
	Number		Workers involved			
	1954	1953	1954	1953	1954	1953
California	206	269	88,100	210,000	1,070,000	2,960,000
Los Angeles metropolitan area	88	122	44,700	57,000	373,000	957,000
San Francisco metropolitan area	70	81	11,100	58,900	186,000	731,000

SENATE

TUESDAY, MAY 3, 1955

(Legislative day of Monday, May 2, 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:

O merciful God, whose law is truth and whose statutes stand forever: We beseech Thee to grant unto us who, in the morning, seek Thy face, fervently to desire, obediently to fulfill, all that is pleasing unto Thee. Out of the shadows we would lift our faces to the one true light, knowing that if we keep our hearts with Thee there is no darkness from without which can quench the light within.

We would lay aside any selfish, partisan ambitions, so that with tallness of stature we may see above the walls of our prideful opinions the good of the largest number. As we play our part in days of destiny, with all mankind standing in the valley of decision, make us worthy of these demanding times that call aloud for wisdom and character. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 2, 1955, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 208. An act granting the consent of Congress to the States of Arkansas and Oklahoma, to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States;

H. R. 1602. An act to enable the State of Arizona and the town of Tempe, Ariz., to convey to the Salt River Agricultural Improvement and Power District, for use by such district, a portion of certain property heretofore transferred under certain restrictions to such State and town by the United States;

H. R. 2679. An act to amend the act to protect scenic values along Oak Creek Canyon and certain tributaries thereof within the Coconino National Forest, Ariz.;

H. R. 3123. An act to modify the acts of August 12, 1935 (49 Stat. 571, 584), May 15, 1936 (49 Stat. 1274), July 1, 1946 (60 Stat. 357), August 8, 1946 (60 Stat. 923), and June 30, 1947 (61 Stat. 211), with respect to the recoupment of certain public-school construction costs, and to amend the act of August 17, 1950 (64 Stat. 459), relating to the expenditure of funds for cooperating with the Public School Board of Walker, Minn.;

H. R. 3879. An act to amend section 2 of the act of March 2, 1945, pertaining to the Columbia River at Bonneville, Oreg.;

H. R. 4646. An act to amend section 4421 of the Revised Statutes, in order to remove the requirement as to verifying under oath certain certificates of inspection, and for other purposes;

H. R. 4659. An act to amend section 16 of the act entitled "An act to adjust the salaries of postmasters, supervisors, and employees in the field service of the Post Office Department," approved October 24, 1951 (65 Stat. 632; 39 U. S. C. 876c);

H. R. 4817. An act relating to the payment of money orders;

H. R. 4936. An act to authorize the furnishing of subsistence and quarters without charge to employees of the Corps of Engineers engaged on floating-plant operations; and

H. R. 5089. An act to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 37. An act to amend the act increasing the retired pay of certain members of the former Lighthouse Service in order to make such increase permanent;

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; and

S. 1094. An act to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 208. An act granting the consent of Congress to the States of Arkansas and Oklahoma, to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States; and

H. R. 3879. An act to amend section 2 of the act of March 2, 1945, pertaining to the Columbia River at Bonneville, Oreg.; to the Committee on Public Works.

H. R. 1602. An act to enable the State of Arizona and the town of Tempe, Ariz., to convey to the Salt River Agricultural Improvement and Power District, for use by

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

such district, a portion of certain property heretofore transferred under certain restrictions to such State and town by the United States; and

H. R. 4936. An act to authorize the furnishing of subsistence and quarters without charge to employees of the Corps of Engineers engaged on floating-plant operations; placed on the calendar.

H. R. 2679. An act to amend the act to protect scenic values along Oak Creek Canyon and certain tributaries thereof within the Coconino National Forest, Ariz.; and

H. R. 3123. An act to modify the acts of August 12, 1935 (49 Stat. 571, 584), May 15, 1936 (49 Stat. 1274), July 1, 1946 (60 Stat. 357), August 8, 1946 (60 Stat. 923), and June 30, 1947 (61 Stat. 211), with respect to the recoupment of certain public school construction costs, and to amend the act of August 17, 1950 (64 Stat. 459), relating to the expenditure of funds for cooperating with the Public School Board of Walker, Minn.; to the Committee on Interior and Insular Affairs.

H. R. 4646. An act to amend section 4421 of the Revised Statutes, in order to remove the requirement as to verifying under oath certain certificates of inspection, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 4659. An act to amend section 16 of the act entitled "An act to adjust the salaries of postmasters, supervisors, and employees in the field service of the Post Office Department," approved October 24, 1951 (65 Stat. 632; 39 U. S. C. 876c); and

H. R. 4817. An act relating to the payment of money orders; to the Committee on Post Office and Civil Service.

H. R. 5089. An act to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes; to the Committee on Labor and Public Welfare.

COMMITTEE MEETINGS DURING SENATE SESSION

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

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 session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

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

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

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

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

DISPOSITION OF EXECUTIVE PAPERS

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

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

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by Council 222, Knights of Columbus, Seneca Falls, N. Y., favoring the enactment of the so-called Bricker amendment to the Constitution, relating to the treatymaking power, which was referred to the Committee on the Judiciary.

AGRICULTURAL STABILIZATION AND CONSERVATION PROGRAMS IN MISSOURI—RESOLUTION OF MISSOURI HOUSE OF REPRESENTATIVES

Mr. SYMINGTON. Mr. President, for many months now, farmers in Missouri have been concerned over the apparent flagrant mishandling of the agricultural stabilization and conservation programs in our State.

In the closing days of the last session, on July 22, my colleague the senior Senator from Missouri [Mr. HENNINGS] and I called to the attention of the Senate many specific examples of the way in which the ASC program had been manipulated in our State, through arbitrary dismissal of duly elected county committees.

Recently, in Texas County, Mo., there has been another example so flagrant, that on April 14, the Missouri House of Representatives, by a vote of 82 to 47, adopted a resolution requesting that the Secretary of Agriculture investigate the activities of the Missouri ASC committee in the dismissals of duly-elected local committeemen throughout the State of Missouri, and the suspension of two authorized drought feed dealers in Texas County.

Subsequently these two dealers have been reinstated. However, the reports we have received, alleging highhanded, arbitrary action on the part of the Missouri State ASC committee and by some of the county office managers and district field men, are so shocking that a complete investigation seems warranted.

Mr. President, on behalf of myself and my colleague the senior Senator from Missouri [Mr. HENNINGS], I ask unanimous consent that the resolution adopted by the Missouri House of Representatives be printed in the RECORD at this point, and referred to the appropriate committee for attention.

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

House Memorial 1

Whereas it has been stated by the President of the United States and the Secretary of Agriculture that it is the policy of the present administration to administer our agricultural stabilization and conservation programs with the farmers themselves being given a voice in the supervision and control of such programs; and

Whereas the State agricultural stabilization committee, presided over by Murray C. Colbert as chairman, has discharged 3 elected committeemen, suspended 4 elected committeemen, and forced 1 elected committeeman to resign in Texas County, Mo., with just the broad charge of certain irregularities without any specification of what particular irregularities; and

Whereas at a hearing held by the State committee in February of 1954 on the proposed discharge of certain elected committeemen in Texas County, Mo., one William Young McCaskill, a qualified dealer under the emergency drought feed program and also a special correspondent for a metropolitan newspaper of this State, was denied access as a member of the press to such hearing by Murray C. Colbert after the said Murray C. Colbert was requested by the committeemen of the local ASC committee to hold a public hearing; and

Whereas William Young McCaskill was suspended on February 3, 1955, for alleged irregularities in drought feed certificates, and on April 6, 1955, was reinstated after an investigation of the alleged irregularities by the commodity and investigation division of the commodity stabilization service, and on April 7, 1955, the said Murray C. Colbert again suspended William Young McCaskill and the Smith Feed Co., alleging that William Young McCaskill and the Smith Feed Co. had made an agreement to circumvent the first suspension; and

Whereas it has been charged that the State ASC committee, presided over by Murray C. Colbert, is not operating the ASC committee on an impartial basis, free from personalities and pressures; and

Whereas numerous counties in the State of Missouri have experienced similar wholesale dismissals and suspensions since Mr. Colbert assumed the office of State ASC chairman; and

Whereas the farmers of Texas County and the State of Missouri are greatly disturbed by the aforementioned actions of the State ASC committee, which is definitely hindering the successful operations of such ASC program; and

Whereas a suspension of a dealer under the emergency drought feed program practically destroys the business of such suspended dealer and does great damage to the reputation of such dealer: Now, therefore, be it

Resolved by the House of Representatives of Missouri, That the Secretary of Agriculture be memorialized to investigate the activities of the State ASC committee in the dismissals of duly elected local committeemen throughout the State of Missouri and the suspension of the said William Young McCaskill and Smith Feed Co. as certified drought feed dealers for the purpose of bringing the true state of facts to light and of

ascertaining whether the declared policy of the present administration of giving the farmers themselves a voice in the administration of the ASC program is being carried out in Missouri; and be it further

Resolved, That a duly attested copy of the memorial be immediately transmitted by the chief clerk of the house of representatives to the Secretary of Agriculture, the Secretary of the Senate of the United States, to the Clerk of the House of Representatives of the United States, and to each Member of the Congress from this State.

DEDUCTIONS FROM GROSS INCOME OF EXPENDITURES FOR MEALS AND LODGING BY CERTAIN PERSONS—LETTER

Mr. WILEY. Mr. President, I have been pleased to receive from Walter Jensen, president of the Wisconsin State Council of the United Brotherhood of Carpenters and Joiners of America, a message endorsing a bill offered by my colleague, the distinguished Senator from Minnesota [Mr. HUMPHREY] Senate bill 1058. The purpose of the bill is to allow a deduction for Federal income tax purposes of expenses paid for meals and lodging by persons who are necessarily employed so far removed from their regular place of abode as to make daily commuting impractical or inconvenient.

I feel there is real merit in this proposal and trust it will receive the sympathetic attention of the House Ways and Means and the Senate Finance Committees.

I present Mr. Jensen's brief letter and ask unanimous consent that it be printed at this point in the RECORD, and be thereafter appropriately referred.

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

WISCONSIN STATE COUNCIL,
UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA, A. F. OF L.,
Madison, Wis., April 28, 1955.

To All Wisconsin Representatives in Congress.

DEAR SIRS: At a meeting of our executive committee of the Wisconsin State council of carpenters, several letters were received from local unions requesting the executive committee's support for Senate bill 1058 relating to deductions from gross income for expenditures for meals and lodging by persons employed away from their homes.

As the members of the carpenters union construct buildings all over the State and oftentimes in other States, the carpenters have to leave home to work on these jobs and are away from home for months at a time. This means that besides maintaining their homes, they must also pay for meals and lodging while away from home. We therefore are very much in favor of Senate bill 1058 and sincerely request your support for this bill's enactment.

Very truly yours,

WALTER JENSEN,
President.

PANAMA CANAL TOLLS—RESOLUTIONS

Mr. MAGNUSON. Mr. President, there is hardly a port of any consequence on the west coast whose representatives have failed to voice the prevailing sentiment of my area for reexamination of the policies of the Panama Canal Co., looking toward a more equitable system of tolls.

Typical of the many expressions of interest in this subject are the resolutions adopted by the progressive Port of Olympia Port Commission, the Lions Club of Oakland, Calif., and the Oakland Inter-Service Club Council, and the Memorial of the City of Alameda, Calif.

I ask unanimous consent that the resolutions be printed in the RECORD at this point.

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

PORT OF OLYMPIA RESOLUTION NO. 501

RESOLUTION OF THE PORT COMMISSION OF THE PORT OF OLYMPIA URGING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION TO AMEND THE FISCAL POLICY OF THE PANAMA CANAL SO AS TO RELIEVE COMMERCIAL CARGOES OF EXCESSIVE TOLLS TRANSITING THE CANAL

Whereas it has been recognized for some time that the vital national defense features of the Panama Canal, by organization, operation and intent, are separate and distinct from the equally important features of an important link for commercial shipping between the Atlantic and Pacific coasts; and

Whereas the payment of tolls by commercial vessels transiting the Panama Canal reflects an inequitable distribution of the military and commercial operating costs of the Panama Canal; and

Whereas such inequality of cost distribution places an undue burden in excessive costs to commercial shipping, reflecting unfavorably to shippers and industries in this area: Therefore be it

Resolved, That the Port of Olympia Commission does hereby urge that the Congress of the United States, as a matter of transportation policy, enact legislation to amend the fiscal policy of the Panama Canal so as to relieve commercial cargoes transiting the canal of those Canal Zone costs properly applicable to the noncommercial departments or agencies of the Government; and be it further

Resolved, That a copy of this resolution be sent to the Members of the Senate and the House of Representatives from the State of Washington, and to the members of the Senate Interstate and Foreign Commerce Committee and of the House Committee on Merchant Marine and Fisheries.

PORT OF OLYMPIA COMMISSION,
By ALLEN T. NEWMAN, *President.*

Attest:

EDWARD ANDERSON,
Secretary.

Unanimously passed by the Port Commission of the Port of Olympia, this 23d day of March 1955.

RESOLUTION

The board of directors of the Lions Club, of Oakland, Calif., urges the 84th Congress of the United States to thoroughly examine the fiscal policy in regard to the Panama Canal, particularly the matters of allowance for amortization and depreciation.

We also express the hope that such examination will fully justify a reduction in tolls for commercial shipping.

We certify that the foregoing is a true and complete copy of a resolution passed unanimously by the members of the board of directors of the Lions Club, of Oakland, Calif., present at a regular meeting of the board held on March 29, 1955.

CLYDE R. WOOLRIDGE,
President.

CHARLES C. ADAMS,
Executive Secretary.

RESOLUTION OF OAKLAND INTER-SERVICE CLUB COUNCIL: EXCHANGE CLUB, LIONS CLUB, BUSINESS AND PROFESSIONAL WOMEN'S CLUB, INC., ROTARY CLUB, KIWANIS CLUB, OPTIMIST CLUB, OAKLAND ROUND TABLE, JUNIOR CHAMBER OF COMMERCE, LAKE MERRITT BREAKFAST CLUB, ZONTA INTERNATIONAL CLUB, PILOT CLUB, QUOTA CLUB, SOROPTIMIST CLUB, OAKLAND CIVITAN CLUB, ALTRUSA CLUB

Whereas the Inter-Service Club Council of Oakland, Calif., recognizes the Panama Canal as a vital and indispensable part of our country's defense in that it allows speedy transit of military and commercial vessels between the Pacific and Atlantic Oceans; and

Whereas the commercial cargoes transiting the Panama Canal now pay tolls which reflect an inequitable distribution of the operating costs of the Panama Canal thereby causing the shippers and receivers of such cargo to carry an excessive burden which should be borne by the Defense Department of our Government; and

Whereas this excessive cost places the shippers and industries of our community at an unfair disadvantage in carrying on their business: Now therefore, be it

Resolved, That the Inter-Service Club Council of Oakland, Calif., does hereby urge that the Congress of the United States enact such legislation as will alter and correct the fiscal policy of the Panama Canal so as to relieve commercial cargoes transiting the Canal from the burden of paying depreciation, interest, and Canal Government costs which are justly chargeable to other departments and agencies of our Government; be it further

Resolved, That the secretary be and is hereby directed to send copies of this resolution to the Members of the Senate and House of Representatives from the State of California, and to such other persons as may be designated by the council's chairman.

INTER-SERVICE CLUB COUNCIL,
W. ELWYN DUNSTAN,
Chairman.

RAYMOND H. MILLER,
Secretary.

RESOLUTION NO. 5078

MEMORIALIZING THE CONGRESS OF THE UNITED STATES IN THE MATTER OF THE ENACTMENT OF LEGISLATION EFFECTING AN EQUITABLE DISTRIBUTION OF THE COST OF OPERATING AND MAINTAINING THE PANAMA CANAL AND RELATED ACTIVITIES BY A REDUCTION OF TOLLS PRESENTLY CHARGED AMERICAN BOTTOMS USING SAID CANAL

Whereas the Congress of the United States has heretofore recognized the need for legislation designed to effect a reduction in tolls charged American bottoms using the Panama Canal and thus establish a more equitable and realistic distribution of the cost of operating and maintaining said Canal and related activities; and

Whereas the recognition of the need for such legislation is evidenced by the introduction by the 83d Congress of H. R. 9681, which failed of passage due to lack of time; and

Whereas legislation similar to that proposed by said H. R. 9681 is urgently needed if the inequitable sharing of the costs of the Panama Canal presently existing is to be corrected: Now, therefore, be it

Resolved by the Council of the City of Alameda, That the Congress of the United States be, and it is hereby respectfully urged and requested to introduce and enact legislation similar to that proposed by H. R. 9681 of the 83d Congress to the end that the conditions hereinbefore recited may be speedily remedied.

SHIRLEY H. FENNIER,
City Clerk of the City of Alameda.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1633. A bill relating to a constitutional convention in Alaska (Rept. No. 264); and

S. 1650. A bill to authorize the Territory of Alaska to obtain advances from the Federal Unemployment Act, and for other purposes (Rept. No. 263).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 824. A bill to authorize and direct the Secretary of the Interior to convey certain lands erroneously conveyed to the United States (Rept. No. 265).

By Mr. LONG, from the Committee on Interior and Insular Affairs, with amendments:

S. J. Res. 38. Joint resolution consenting to an interstate compact to conserve oil and gas (Rept. No. 266).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. KNOWLAND:

S. 1875. A bill to grant tax relief to members of the Armed Forces of the United States held by a Communist government authority or missing in action from a combat zone; to the Committee on Finance.

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

By Mr. AIKEN (for himself, Mr. ANDERSON, Mr. FLANDERS, Mr. STENNIS, Mr. HOLLAND, and Mr. THYE):

S. 1876. A bill to authorize the Secretary of Agriculture to assist States in the carrying out of plans for forest land tree planting and reforestation, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. FLANDERS:

S. 1877. A bill to grant an additional income-tax exemption to a taxpayer supporting a dependent who is blind or otherwise permanently and totally disabled; to the Committee on Finance.

By Mr. MANSFIELD (for himself and Mr. MURRAY) (by request):

S. 1878. A bill to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act; to the Committee on Interior and Insular Affairs.

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

By Mr. KILGORE:

S. 1879. A bill to assist the States in the removal of adult illiteracy by the development and maintenance of special programs of basic elementary education for adults, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. MAGNUSON (by request):

S. 1880. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

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

By Mr. McNAMARA:

S. 1881. A bill for the relief of Vittorio Ventimiglia; to the Committee on the Judiciary.

By Mr. BUSH:

S. 1882. A bill for the relief of Constantine Salmon; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 1883. A bill for the relief of Pietro Rodolfo Walter Stulin; to the Committee on the Judiciary.

By Mr. CASE of New Jersey:

S. 1884. A bill for the relief of Gertraut Hildegarde Marie Hubinger and Franz Hubinger; and

S. 1885. A bill for the relief of Mario Farabullini and Alla Farabullini, his wife; to the Committee on the Judiciary.

By Mr. IVES (for himself, Mr. BEALL, Mr. BUSH, Mr. CASE of New Jersey, Mr. DUFF, Mr. FLANDERS, Mr. HUMPHREY, Mr. LEHMAN, Mr. MURRAY, Mr. SALTONSTALL, Mr. WATKINS, Mr. PAYNE, and Mr. KUCHEL):

S. J. Res. 68. Joint resolution to provide for the most effective use and distribution of infantile paralysis vaccine; to the Committee on Labor and Public Welfare.

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

RELIEF FROM INCOME-TAX PAYMENTS OF AMERICANS HELD AS PRISONERS OF WAR

Mr. KNOWLAND. Mr. President, on April 13, I introduced in the Senate—and a companion measure was introduced in the House of Representatives—a bill dealing with relief from income-tax payments in the case of Americans being held as prisoners of war. Following consultation with the chairman of the Finance Committee and its ranking members, and also with the leadership in the House of Representatives, the bill has been redrafted by the Defense Department and the Treasury Department, and a companion bill dealing with the same subject matter, is today being introduced in the House of Representatives.

I now introduce the redrafted bill and request its appropriate reference.

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

The bill (S. 1875) to grant tax relief to members of the Armed Forces of the United States held by a Communist government authority or missing in action from a combat zone, introduced by Mr. KNOWLAND, was received, read twice by its title, and referred to the Committee on Finance.

Mr. KNOWLAND. Mr. President, with further reference to this issue, I have before me a telegram, which I received yesterday from Charles O. Morgan, commander of the California wing of the Air Force Association. The telegram reads as follows:

FRESNO, CALIF., *May 1, 1955.*

Senator WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.:

The California wing of the Air Force Association, representing thousands of Air Force Veterans, from throughout our great State, in convention assembled in Fresno, Calif., today unanimously endorsed your firm stand in behalf of the 15 American airmen unjustly imprisoned in Red China, and empowered me to send you this message of encouragement and support of your outstanding efforts in this vital cause.

CHARLES O. MORGAN,
Commander, California Wing,
Air Force Association.

Mr. President, I also wish to have printed in the RECORD a letter addressed to the Honorable Charles J. Kersten, then a Member of the House of Representatives. The letter is under date of March 11, 1954, and is from Col. George Patrick Welch, Chief of the Public Information Division of the Defense Department. I wish to read into the RECORD two paragraphs of the letter, as follows:

A list of approximately 3,400 U. N. personnel carried as missing in action—including 944 Americans—was presented by the U. N. Command to the Communist representatives on the Military Armistice Commission on September 9, 1953.

While the U. N. Command had no conclusive information regarding the death or survival of these individuals, there were definite indications that the Communists possessed information in this regard. Evidence in our possession pertaining to these persons is based upon letters written home by prisoners, prisoner of war interrogations, questioning of returnees, Communist radio broadcasts, and the actual circumstances of their disappearance from U. N. Command control. As you know, the United Nations made a demand that the Communists account for these personnel.

Mr. President, I ask unanimous consent that the entire letter be printed at this point in the RECORD, as part of my remarks.

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

MARCH 11, 1954.

Hon. CHARLES J. KERSTEN,
House of Representatives.

DEAR MR. KERSTEN: In response to your request through Mr. David Keyser for information on United Nations prisoners of war missing in Korea, I am forwarding the enclosed material in the hope that it will be of some assistance to you.

Generally, the story of the missing prisoners runs like this:

The Korean Armistice Agreement provided for the return of all prisoners of war desiring repatriation within 60 days of the effective date of the armistice. Evidence available to the United Nations Command indicates that there may be, or at one time there may have been, U. N. C. personnel in Communist custody who were not returned during the prisoner of war exchanges, were not turned over to the Neutral Nations Repatriation Committee, and were not otherwise accounted for by the Communists.

A list of approximately 3,400 U. N. personnel carried as missing in action—including 944 Americans—was presented by the U. N. Command to the Communist representatives on the Military Armistice Commission on September 9, 1953.

While the U. N. command had no conclusive information regarding the death or survival of these individuals, there were definite indications that the Communists possessed information in this regard. Evidence in our possession pertaining to these persons is based upon letters written home by prisoners, prisoner of war interrogations, questioning of returnees, Communist radio broadcasts, and the actual circumstances of their disappearance from U. N. command control. As you know, the United Nations made a demand that the Communists account for these personnel.

In the meantime, further evidence regarding the fate of the missing in action has been obtained from returned Korean prisoners and other Korean veterans. Also, Public Law 490 directs review of each individual case at the end of 12 months and authorizes the appropriate departmental secretary to make a determination of death. Although Public

Law 490 will operate to declare administratively some persons on the original list as dead, inasmuch as we have evidence that they were once alive in Communist custody, we still desire an accounting for them.

These findings have no effect upon the insistence of the U. N. Command that the Communists give a full and complete accounting of the status and disposition of these individuals while they were in Communist custody.

On September 21, 1953, the Communists replied relative to the complete list of names presented to them by the U. N. Command on September 9. They stated that many of the men on the list had never been captured by their forces. They conceded knowledge of approximately 900 U. N. Command personnel (including only 112 Americans), all of whom the Communists claimed were either deceased, escaped, or released at the front.

Gen. Mark W. Clark, in a letter of September 24, 1953, to the Communist side, stated that he considered their reply wholly unacceptable and pointed out that by signing the armistice agreement the Communists had undertaken a solemn obligation to repatriate directly or to hand over to the custody of the Neutral Nations Repatriation Commission all of the captured persons held by them at the time of the armistice. He pointed out that this obligation was binding upon them and applied to all U. N. Command persons held in custody.

On November 21, 1953, the U. N. Command again protested in the Military Armistice Commission to the Communists that they had still failed to give a satisfactory reply concerning the list of unaccounted-for U. N. personnel and pointed out that additional evidence provided by three Korean prisoners of war who had recently defected to the U. N. side corroborated the U. N. Command statements that the Communists were withholding prisoners of war. At that time the U. N. Command demanded that the Communists "hand over to the custody of the custodian forces of India all those prisoners that your side still retains."

On December 7 the U. N. representative to the Military Armistice Commission requested the Communist side to agree to an impartial investigation of the evidence given by the three defectors. The Communists refused.

Once again, on January 18, 1954, the United Nations representative to the Military Commission made a unilateral request to the Neutral Nations Supervisory Commission to investigate the charge that the Communists were withholding prisoners of war.

Of course, to obtain the return of all United Nations personnel in Communist custody is a continuing purpose of the Military Establishment, and all feasible measures are being taken to accomplish this objective.

If we can be of any further service to you, please do not hesitate to communicate with us.

Sincerely,

GEO. PATRICK WELCH,
Colonel, GS;
Chief, Public Information Division.

ASSISTANCE TO STATES IN FOREST LAND TREE PLANTING AND REFORESTATION

Mr. AIKEN. Mr. President, on behalf of myself, the Senator from New Mexico [Mr. ANDERSON], my colleague, the junior Senator from Vermont [Mr. FLANDERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Florida [Mr. HOLLAND], and the Senator from Minnesota [Mr. THYE], I introduce, for appropriate reference, a bill which would authorize the Secretary of Agriculture to cooperate with the States in their reforestation program, in a similar manner to that provided by the Watershed Act of 1954. I ask unanimous consent that the bill be printed in the RECORD, together with a statement showing the need for this type of legislation.

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

The bill (S. 1876) to authorize the Secretary of Agriculture to assist States in the carrying out of plans for forest land tree planting and reforestation, and for other purposes, introduced by Mr. AIKEN (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That building up and maintaining a level of timber growing stocks adequate to meet the Nation's domestic needs for a dependable future supply of industrial wood is essential to the public welfare and security; that utilizing the more than 50 million acres of idle non-Federal and Federal lands for this purpose would not only add to the economic strength of the Nation, but also bring increased public benefits from other values associated with forest cover; and that it is the policy of the Congress that the Secretary of Agriculture in order to encourage, promote, and assure fully adequate future resources of readily available timber should assist the States in undertaking needed programs of tree planting.

SEC. 2. Any State may submit to the Secretary of Agriculture a plan for forest land tree planting and reforestation for the purpose of effecting the policy hereinbefore enumerated.

SEC. 3. When the Secretary of Agriculture has approved the plan, he is hereby authorized and directed to assist the State in carrying out such plan, which assistance may include giving of advice and technical assistance and furnishing financial contributions: *Provided,* That, for the non-Federal forest land tree planting and reforestation, the financial contribution expended by the Federal Government during any fiscal year to assist the State to carry out the plan shall not exceed the amount expended by the State for the same purposes during the same fiscal year, and the Secretary of Agriculture is authorized to make financial contributions on the certificate of the State official in charge of the administration of the plan as to the amount of expenditures made by the State.

SEC. 4. In any plan that coordinates forest lands under jurisdiction of any Federal agency other than the Department of Agriculture, the Secretary of Agriculture shall obtain the cooperation and assistance of the Federal agency having jurisdiction in the approval and carrying out of the plan.

SEC. 5. The Secretary of Agriculture may prescribe such rules and regulations as may be appropriate to carry out the purposes of this act.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to carry out the objects of this act, such sums to remain available until expended.

The statement submitted by Mr. AIKEN is as follows:

STATEMENT BY SENATOR AIKEN

NATIONAL DEFENSE PLANTATIONS

Introduction

In the lengthening struggle against Communist aggression, economic strength based on a plentiful supply of basic raw materials and a steadily expanding industrial output may be the decisive factor. The United States, if it is to safeguard its future, must constantly grow stronger, and some of that added strength must continue to flow to other friendly free nations. Among other things, the world situation calls for forest resources large enough to meet our own growing needs for wood and wood products as well as to help in meeting those of timber-deficient friendly countries. If we fail to do this, the long-term tendency will be greater dependency on the forest resources of Russia, especially softwood.

Furthermore, as our nonrenewable resources are gradually used up, the greater will be our dependence upon renewable resources, such as forests. Our higher-grade nonrenewable resources have in many cases already been heavily drawn upon and the proportion of the annual supply represented by imports is steadily growing larger. Russia, on the other hand, still has vast undeveloped resources which when developed will support a greatly expanded economy as compared with the present.

The United States, within its own boundaries, can do little to counterbalance Russia's superiority in nonrenewable resources, but a great deal more could be done to build up our renewable resources, such as commercial timber, to a safer level. Our softwood resources in particular should be built up faster—to provide for increased future needs for industrial wood. Wood is now recognized as a basic raw material with ever-increasing possibilities as a substitute for other materials in short supply. It is dangerous to assume that our increasingly greater future needs for raw materials can be met by increased imports from the rest of the world or drawing upon the atmosphere and oceans.

In addition to the need to enlarge its material resources at home, the United States, in the opinion of many of its leaders, has need to develop increased moral and spiritual resources. The people are seeking more than ever before opportunities to get away temporarily from the stresses and strains of modern life and to rebuild jaded minds and bodies through healthful outdoor recreation. Highway plantations, especially within reach of the larger centers of population, would have great social as well as economic value. Today, a public roadside picnic table, if only a few yards from the roar of traffic, is a highly prized acquisition by the family that got there first. The public demand for attractive roadside recreation places is potentially so great as to warrant special consideration in any now program of tree planting.

The softwood situation internationally

1. Softwood constitutes between 70 percent and 80 percent of the world's total consumption of industrial wood. Softwood is inherently preferable to hardwood for such general-utility purposes as construction lumber and plywood, boxing and crating, pulp and paper, etc., as well as being generally more economical to utilize than hardwood. The possession of large softwood resources by any country lends strength to its economy. The Soviet bloc (not including Communist China) possesses nearly three-fourths of all the softwood timber in the North Temperate Zone, which is almost the same as saying in the world. The volume has been estimated to be at least 55 billion cubic meters. This compares with 9.5 billion for the United States and Alaska combined, 8.1 billion for Canada, and 2.5 billion for northern Europe.

2. The free world cannot overcome the Soviet bloc's great superiority in softwood timber by turning to the Tropics and the South Temperate Zone. Only from 5 percent to 10 percent of the combined forest area of these parts of the world support softwoods. Furthermore, most of the free world's great tropical forests (hardwood) are sit-

uated in remote places such as the Amazon Basin and equatorial Africa.

3. Our Western European allies are in a timber-deficient area and have depended heavily upon the United States and Canada in recent emergencies. The free world's deteriorating softwood supply situation is gradually forcing greater dependence on Russian timber. East-West European trade is increasing. But the U. S. S. R. can regulate its timber exports in whatever manner it may consider most advantageous at any given time.

4. The Latin American Republics and other free-world countries having little or no softwood resources of their own also look to North America as a source of supplemental supply. Rapid growth in population together with gains in industrialization in the underdeveloped countries will mean greatly increased future requirements for industrial wood. Industrialization calls for heavier consumption of lumber, shipping containers, plywood, pulp, and paper, etc. The per capita consumption of industrial wood in North America is now about 1.8 cubic meters, as contrasted with only 0.15 in Latin America, 0.07 in north Africa and the Near East, 0.03 in central and south Africa, and 0.02 cubic meters in southeast Asia.

The softwood situation domestically

5. The United States within recent years has become a net importer of softwood timber products, largely from Canada. But Canada itself is undergoing rapid industrial growth and will require increasingly greater quantities of industrial softwood for domestic consumption. Also, most of Canada's remaining softwood forests are in the northern part of the country where growth is slow and transportation to principal consuming centers costly.

6. The heavier cutting of softwoods in the United States, as compared with hardwoods, has resulted in a larger proportion of hardwoods in second-growth mixed forests. This makes more difficult and costly the restoration of the softwood component to its former level on cutover lands. Open-land planting has much in its favor.

The timeliness of such a program

7. The people of the United States are becoming increasingly concerned about their security and are looking to their leaders for action to strengthen the Nation's economy. Putting more idle land to work growing more trees could be expected to gain wide public support, if properly publicized, particularly from veterans, conservation, youth, fraternal, and other public-spirited groups having some appreciation of the value of adequate natural resources in the struggle against Communist aggression.

8. Requirements for national defense must take into account the eventual possibility of a highly destructive war. If the opening phase of such a conflict should not be decisive, there would follow a great struggle to recover and rebuild. Forests conveniently located along highways could be drawn upon quickly for urgently needed construction and repair material, even though crudely processed. They could also supply urgently needed fuel wood if coal and oil supplies temporarily were shut off through disrupted transportation.

Plantations established by the British Government following World War I were heavily drawn upon, and to good advantage in the Second World War even though only about 20 years old. According to estimates believed to be reliable, Russia planted about 5.1 million acres of forest in 1949 through 1951, or an annual rate of about 1.7 million acres. The current annual rate for the United States is less than half this amount.

Obviously, any defensive measures involving the production of tree crops should be taken with the least possible delay.

Mr. AIKEN. Mr. President, I also ask leave to add the names of additional colleagues as sponsors of the bill, before it goes to press.

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

CONVEYANCE OF CERTAIN LANDS TO CITY OF MILES CITY, MONT.

Mr. MANSFIELD. Mr. President, on behalf of myself and my colleague the senior Senator from Montana [Mr. MURRAY], by request, I introduce, for appropriate reference, a bill to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act. I ask unanimous consent to have printed in the RECORD a letter from the city clerk of the city of Miles City, enclosing a resolution adopted by the Miles City Council on April 25, 1955, requesting that the time be extended. The resolution explains why it is necessary that the time which will expire on June 16, 1955, should be extended.

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

The bill (S. 1878) to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act, introduced by Mr. MANSFIELD (for himself and Mr. MURRAY), by request, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter and resolution presented by Mr. MANSFIELD are as follows:

MILES CITY, MONT., *April 27, 1955.*

Senator MIKE MANSFIELD,
United States Senate,
Washington, D. C.

DEAR SIR: Enclosed please find copy of resolution No. 1180, passed by the city council on April 25, 1955, regarding industrial site lands west of Miles City.

We hope you will give this matter due consideration.

Yours very truly,
C. H. STANGLAND,
City Clerk.

RESOLUTION NO. 1180

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILES CITY URGING THE UNITED STATES OF AMERICA TO EXTEND FOR A PERIOD OF 5 YEARS FROM AND AFTER JUNE 16, 1955, PUBLIC LAW NO. 563 AS IT RELATES TO TRACT NO. 5 AND THE REMAINING PORTION OF TRACT NO. 6

Whereas Public Law 563 of the 81st Congress became law on June 16, 1950; and

Whereas section 2 of Public Law 563 authorized the Secretary of the Interior to convey by patent or patents to the city of Miles City, upon the payment of a just and reasonable consideration, determined by the Secretary of the Interior on the basis of use for industrial purposes, such portion of tracts No. 5 and 6 within the United States Range Livestock Experiment Station as may be determined by the Secretary of Agriculture to be more suitable for the use of the city of Miles City; and

Whereas the city of Miles City has endeavored to find suitable industries to occupy tract No. 5 and the unpurchased portion of tract No. 6 but has as yet been unable to find, within said five-year period since the enactment of said law, industries determined to be suitable for such purposes: Now, therefore, be it

Resolved by the City Council of the City of Miles City, Mont., That the United States of America extend Public Law 563 for a period of five years from and after June 16, 1955, to enable the city of Miles City to continue to develop said tracts for industrial purposes; be it further

Resolved, That a copy of this resolution be sent to the Department of Agriculture and the Department of the Interior and also to Senator JAMES MURRAY, Senator MIKE MANSFIELD and Representative ORVIN FJARE.

Passed and approved this 25th day of April 1955.

FARNHAM L. DENSON,
Mayor.

Attest:

C. H. STANGLAND,
City Clerk.

PROPOSED NATIONAL LITERACY EDUCATION ACT OF 1955

Mr. KILGORE. Mr. President, there is a growing realization that the continued progress of the Nation, the increasing impact of scientific and technological advance, and the maintenance and growth of our democratic way of life depend on a literate citizenry. The Founding Fathers saw this interrelationship, and suggested the necessity of providing the elements of education broadly.

Nothing has happened to change the views I expressed on this matter several years ago when I first introduced my literacy education bill—nothing except an accelerated pace of life which makes the problem of illiteracy much more acute now than it was then.

In again introducing proposed legislation on this subject, I wish to emphasize its importance and the urgency and magnitude of the problem which it is designed to solve. I wish also to emphasize the terminal nature of this bill, as well as the matching provision which will serve as a stimulus to those States that really want to attack the problem.

I ask that the text of the bill which I am introducing be printed in the RECORD.

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

The bill (S. 1879) to assist the States in the removal of adult illiteracy by the development and maintenance of special programs of basic elementary education for adults, and for other purposes, introduced by Mr. KILGORE, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "National Literacy Education Act of 1955."

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress hereby finds and declares that—

(a) whereas, according to the 1950 census, nearly 10 million of the adult citizens of the United States had completed fewer than 5 years of schooling and were accordingly to be accounted as functionally illiterate; and

(b) whereas the United States was by reason of this widespread adult illiteracy deprived of the fullest use of its military and industrial manpower during World War II and during the Korean conflict; and

(c) whereas the lack of basic elementary education among these millions of citizens,

both native and foreign born, constitutes a continuing national problem of great magnitude and urgency in time of peace, as well as war, because it increases the amount of ill health and poverty, retards economic development, lessens efficiency, and impedes the personal growth and social contribution of citizens in a democracy; and

(d) whereas the excessively high illiteracy rate in the United States and our programs for reducing it have a direct influence on our international relations; and

(e) whereas the States are making progress in providing general elementary education for all their children, which will aid eventually in preventing the recurrence of illiteracy among adults; and

(f) whereas adult functional illiteracy was reduced only one-half million during the past decade, in spite of the Armed Forces educational program and other adult educational activities; and

(g) whereas the urgency of the times makes it unwise to wait on the "natural process" to reduce adult illiteracy;

(h) Now, therefore, it is declared to be the policy of the Congress in the promotion of the general welfare and in the interest of national security to assist the several States in speedily removing adult illiteracy in the United States by the establishment and maintenance of programs of basic elementary education for adults, for a period not to exced 10 years, which period may be materially shortened by the speed with which such a program is established and the progress made by the States in their general elementary education programs.

DEFINITIONS

SEC. 3. For the purpose of this act—

(a) The term "State" means a State, a Territory or possession of the United States, or the District of Columbia.

(b) The term "basic elementary education" means education designed to develop the ability to read, write, speak, and understand the English language, to perform elementary arithmetical computations, and to understand the main features of our constitutional republican form of government and of our American way of life, equivalent to the ability of the average person who has completed 4 years of schooling.

(c) The term "adult" means any person beyond the compulsory school age who is not enrolled in a regular fulltime day school.

(d) The term "Commissioner" means the Commissioner of Education in the Department of Health, Education, and Welfare.

(e) The term "State educational agency" means, as the State legislature may determine, (1) the chief State school officer (such as the superintendent of public instruction, commissioner of education, or similar officer); or (2) a board of education controlling the State department of education; except that in the District of Columbia, it shall mean the board of education.

(f) The term "index of ability" means the percent that the State per capita income is of the national per capita income for the latest year available as reported by the Department of Commerce. The "inverse ratio" of the index of ability is obtained by subtracting the State index of ability from "200 per centum."

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. In order to promote the development and maintenance by the States of special programs of basic elementary education for adults, there is hereby authorized to be appropriated to the Office of Education, Department of Health, Education, and Welfare, for the fiscal year ending June 30, 1956, the sum of $5,000,000; for the fiscal year ending June 30, 1957, the sum of $5,000,000; for the fiscal year ending June 30, 1958, the sum of $7,000,000; for the fiscal year ending June 30, 1959, the sum of $7,500,000; for the fiscal year ending June 30, 1960, the sum of $7,500,000; for the fiscal year ending June 30, 1961, the sum of $5,000,000; for the fiscal year ending June 30, 1962, the sum of $5,000,000; for the fiscal year ending June 30, 1963, the sum of $3,500,000; for the fiscal year ending June 30, 1964, the sum of $2,500,000; and for the fiscal year ending June 30, 1965, the sum of $1,500,000. The funds appropriated pursuant to this section shall be used for making payments to the States which have submitted and had approved by the commissioner applications for funds as set forth in section 5 hereof for carrying out the purposes of this act.

STATE APPLICATIONS

SEC. 5. (a) In order to be approved by the Commissioner, a State application for funds shall—

(1) designate the State educational agency to be responsible for the administration, or for the supervision of the administration, of a program of basic elementary education for adults within the State;

(2) outline the State plan for a program of basic elementary education for adults which shall include provisions for the organization and conduct of classes for adult illiterates, for the training of teachers and supervisors for such classes, and for the fostering of research, experimentation, and demonstration in educational institutions or other approved agencies or organizations in cooperation with local public school authorities of improved methods and materials for use in such classes;

(3) provide that the State treasurer or corresponding official shall act as custodian of funds made available to the State under this act and shall expend the same only on warrant of the State educational agency;

(4) provide that the State educational agency shall make reports in such form and containing such information as the Commissioner may from time to time reasonably require and give the Commissioner upon demand access to the records upon which such information is based;

(5) provide for the designation of a State advisory council of not less than seven persons representing the major interested groups to consult with the State educational agency in planning and promoting the State program of basic elementary education for adults; and

(6) provide assurance, satisfactory to the Commissioner, that such State will satisfy the requirements of section 7 of this act relating to expenditure of State and local funds for such programs of basic elementary education for adults.

(b) The Commissioner shall approve any State application for funds which complies with the provisions of subsection (a) of this section.

PAYMENTS TO STATES

SEC. 6. (a) Not less than 98 percent of the funds appropriated under section 4 of this act shall be distributed to the States in the following manner: Each State for which a State application under section 5 has been approved shall be entitled to an allotment from any appropriation made pursuant to section 4 of the sum obtained by multiplying (1) the sum which bears the same ratio to the total amount of such appropriation as the number of adults in such State who have not completed the fifth year of school, according to latest figures available as reported by the Bureau of the Census, bears to the total number of such adults in the United States, by (2) the inverse ratio of the State's index of ability. In the event the funds appropriated for any fiscal year pursuant to section 4 of this act are insufficient to pay to all eligible States the amount of the Federal allotment to each such State, computed in accordance with the foregoing provisions of this section, the amount to be paid to each eligible State shall bear the same ratio to the amount of the Federal allotment to such States as such appropriation bears to the sum of the Federal allotment to all eligible States: *Provided*, That no State's entitlement shall be less than $10,000. The Commissioner shall, before August 15 of each fiscal year, estimate the sum to which each State is entitled under this section during that fiscal year and shall thereupon certify to the Secretary of the Treasury the amount so estimated, reduced, or increased as the case may be, by any sum by which the Commissioner finds that his estimate for a prior year was greater or less than the amount to which the State was entitled for such year. The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Commissioner, the amount so certified.

(b) Any funds paid to a State under this section and not expended for the purpose for which paid shall be repaid to the Treasurer of the United States. Sums allotted to a State for any fiscal year for the purposes of this Act and unencumbered at the end of such year shall remain available to such State for the next fiscal year (and for such year only) in addition to sums allotted to such States for the next fiscal year.

STATE EXPENDITURES

SEC. 7. Any State receiving a payment under the provisions of this act shall—

(1) Expend from State and local sources for its program of basic elementary education for adults during the fiscal year for which such payment was received an amount not less than was expended in such State from such sources in the fiscal year ending June 30, 1954, for basic elementary education for adults; and

(2) expend, beginning with the second fiscal year for which any such payment is received, an additional amount from such sources for such program, which amount shall be (A) for such second year, not less than one-fourth of such State's allotment for such year as determined under the provisions of section 6 (a) of this act, (B) for the third fiscal year for which any such payment is received, not less than one-half of such State's allotment for such year, (C) for the fourth such fiscal year, not less than three-fourths of such State's allotment for such year, and (D) for any such fiscal year thereafter, not less than such State's allotment for such year.

WITHHOLDING OF CERTIFICATION

SEC. 8. (a) Whenever the Commissioner, after reasonable notice and opportunity for hearing to a State, finds (1) that such State is not complying substantially with the provisions of this act or the terms and conditions of its application approved under this act, or (2) that any funds paid to such State under this act have been diverted from the purposes for which they had been paid, the Commissioner may forthwith notify the Secretary of the Treasury and such State that no further certification will be made under this act with respect to such State until there is no longer any failure to comply or the diversion has been corrected or, if compliance or correction is impossible, until such State repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

(b) The final refusal of the Commissioner to approve any application made under this act, and the Commissioner's final action under subsection (a) of this section, shall be subject to judicial review on the record, in the United States Court of Appeals for the circuit in which the State is located, in accordance with the provisions of the Administrative Procedure Act.

ADMINISTRATION OF THE ACT

SEC. 9. (a) This act shall be administered by the Commissioner under the supervision of the Secretary of Health, Education, and Welfare and with the advice of an Advisory

Council composed of persons representing the major interested groups. The Commissioner, with the approval of the Secretary, is authorized to promulgate such rules and regulations and to perform such other functions as he finds necessary to carry out the provisions of this act.

(b) Except as otherwise specifically provided herein, nothing in this act shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, curriculum, instruction, methods, or materials of instruction in any State with respect to which any funds had been or may be expended under this act.

(c) The Commissioner shall annually report to the Congress upon his administration of this act, including the progress made by the several States in the removal of adult illiteracy and any related matters.

AMENDMENT OF NATURAL GAS ACT—BILL INDEFINITELY POSTPONED—BILL INTRODUCED—NOTICE OF HEARINGS

Mr. MAGNUSON. Mr. President, as chairman of the Committee on Interstate and Foreign Commerce, I have scheduled hearings on the very important and highly controversial gas bill. The hearings will begin next Tuesday.

A bill on this subject was introduced by the distinguished junior Senator from Maryland [Mr. BEALL], but since the introduction of the bill and its reference to the committee, he has asked that his bill be withdrawn.

I therefore ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill, S. 1498, to amend the Natural Gas Act, and that it be indefinitely postponed.

This action is taken at the request of the author of the bill, the distinguished junior Senator from Maryland.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, in view of the parliamentary situation, I have scheduled hearings on this subject to begin on next Tuesday. A new bill has been introduced by the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], which is substantially the same as the bill introduced by the Senator from Maryland [Mr. BEALL]. Open hearings will begin on Tuesday next. The hearings will cover the entire field of gas legislation, and the Natural Gas Act, which we hope to bring into line with modern conditions and the present needs of the country.

The old act, passed 17 years ago, has been outgrown in many respects, and we have many bills and suggestions on how we should amend it. It is a very controversial subject, and the producers, the interstate carriers, and the consumers all have different ideas as to how we should proceed.

We must not only report a bill which will meet the approval of the Senate, but we must bring in a bill which will be fair to the producers and the carriers, and one that will assure justice in prices to the consumers.

We desire to consider fully all proposals and give everyone interested in the Natural Gas Act a full opportunity to state his views.

To help get all suggestions before our committee at the hearing starting next week I am introducing today suggestions made in the annual report of the Federal Power Commission for amendments to the act which the Commission believes will modernize it and make it meet the changed conditions of the day, conditions which did not exist when the original act was passed.

I wish the record to be absolutely clear on this matter. Several amendments are being proposed. Some of them are very controversial. With some I agree, and with others I do not agree. I am introducing, at the request of the Federal Power Commission, a bill to amend the Natural Gas Act. The bill involves a very controversial question. It deals with distribution and rates to be applied to natural gas. Included in the proposed legislation is the so-called Fulbright bill; the bill introduced by the distinguished senior Senator from Illinois [Mr. DOUGLAS], which, in my view, is largely a consumer bill; and 10 or 12 other bills, all of which deal with this very important subject.

I want that point clear as I introduce this bill and ask that it be appropriately referred, and I also wish it to be clearly understood that with some of the amendments I am in agreement and with others I am not.

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

The bill (S. 1880) to amend the Natural Gas Act, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

USE AND DISTRIBUTION OF INFANTILE PARALYSIS VACCINE

Mr. IVES. Mr. President, I introduce for appropriate reference, a joint resolution which is designed to provide for the effective use and distribution of the Salk vaccine for the prevention of poliomyelitis. The temporary emergency, which has arisen as a result of the great demand for this vaccine and the possibility of the exploitation of its use, requires immediate action by the Federal Government. I am introducing this joint resolution urging that it receive the earliest possible consideration by the Senate. In dealing with this vitally important matter speed is most essential.

Joining me in the introduction of this joint resolution are the junior Senator from Maryland [Mr. BEALL], the senior Senator from Connecticut [Mr. BUSH], the junior Senator from New Jersey [Mr. CASE], the junior Senator from Pennsylvania [Mr. DUFF], the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Minnesota [Mr. HUMPHREY], my colleague the junior Senator from New York [Mr. LEHMAN], the senior Senator from Montana [Mr. MURRAY], the senior Senator from Massachusetts [Mr. SALTONSTALL], and the senior Senator from Utah [Mr. WATKINS], the junior Senator from Maine [Mr. PAYNE], and the junior Senator from California [Mr. KUCHEL]. I invite any other Senators, who desire to do so, to add their names at the desk.

I have prepared a statement pertaining to this joint resolution, which I ask to have printed in the body of the RECORD at this point in my remarks, together with the text of the joint resolution, following the statement.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the statement and joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 68) to provide for the most effective use and distribution of infantile paralysis vaccine, introduced by Mr. IVES (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. IVES is as follows:

STATEMENT BY SENATOR IVES

Since the recent public disclosure of the discovery of a vaccine which prevents poliomyelitis by Dr. Jonas Salk, the grateful people of this Nation have been seriously concerned over its most effective use and distribution while the supplies are substantially less than the total needs of the entire country. In fact, this concern has created a temporary national emergency which must be alleviated immediately by the institution of a national program.

The development of this great medical discovery was made possible through contributions of the people of the United States to the National Foundation for Infantile Paralysis and the many dedicated scientists, including Dr. Jonas Salk, who have specialized in the study and treatment of poliomyelitis without thought of personal gain. The inevitable problems of distributing this precious vaccine, while it is still in short supply, in a manner which will accomplish the greatest national good, demand the immediate attention of the Federal Government. To provide for the free flow of such vaccine throughout the several States, in order to insure its most effective and equitable distribution, is a definite responsibility of the Federal Government to all of the people of the United States.

This joint resolution would authorize and direct the Secretary of Health, Education, and Welfare immediately to institute a Federal program for the distribution and use of all Salk vaccine, which would include the establishment of priorities by age groups, physical condition, and geographic location; the maintenance of distribution records by all principals involved; and the distribution of the Salk vaccine at a reasonable cost to the purchaser. The Secretary of Health, Education, and Welfare is further authorized and directed to consult with State health officials, the National Foundation for Infantile Paralysis, manufacturers of Salk vaccine, and prominent scientists, including Dr. Salk, who have specialized in the study and treatment of poliomyelitis, concerning the promulgation and operation of this vital national program. The Secretary of Health, Education, and Welfare may well wish to utilize the services of some outstanding American to take charge of its administration, in the event that the Office of the Surgeon General of the Public Health Service is unable to undertake this additional task.

Regardless of who is selected by the Secretary of Health, Education, and Welfare to carry out this important work, it is urgent that the Congress take immediate action authorizing the establishment of a Federal

program for the distribution of all Salk vaccine until sufficient vaccine is available to make unnecessary further Federal regulation and control. Therefore, in order to eliminate this national emergency, I urge the earliest possible consideration of this joint resolution.

The joint resolution introduced by Mr. IVES is as follows:

Senate Joint Resolution 68

Whereas the development of an infantile paralysis vaccine, a national blessing, has also created a temporary nationl emergency resulting from a demand far in excess of the supply; and

Whereas this development was financed by the voluntary contributions of the people of the United States and the untiring efforts of dedicated scientists; and

Whereas the Federal Government has an obligation to the people of the United States to provide for the free flow of such vaccine throughout the several States in order to insure its most effective and equitable distribution and use while supplies are less than the total needs of the entire population: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Health, Education, and Welfare is authorized and directed to issue mandatory rules and regulations regulating the distribution and use of all Salk vaccine manufactured in, imported into, and exported from the United States (including but not limited to the establishment of priorities by age groups, physical condition, and geographical location; the maintenance of distribution records by manufacturers, distributors and members of the medical profession engaged in the distribution and use of the Salk vaccine; and the distribution of Salk vaccine at a reasonable cost to the individual purchaser), during the temporary national emergency which has resulted from the insufficient supply of such vaccine.

SEC. 2. The Secretary of Health, Education, and Welfare is authorized and directed (1) to consult with State health officials, representatives of the National Foundation for Infantile Paralysis, representatives of the manufacturers of Salk vaccine, and prominent scientists, including Dr. Jonas Salk, who have specialized in the study and treatment of poliomyelitis, concerning the promulgation of mandatory rules and regulations regulating the distribution and use of all Salk vaccine during the temporary national emergency, and (2) to make such reports to the Congress as the Secretary may deem necessary, including recommendations for further legislation deemed by the Secretary to be desirable to implement the policies of this joint resolution. Any such report may recommend the enactment of legislation by the Congress to maintain reasonable prices of Salk vaccine whenever the Secretary shall determine that the price of such vaccine or substantial amounts thereof has become unreasonably high.

SEC. 3. The Secretary of Health, Education, and Welfare may appoint and fix the compensation of such personnel as the Secretary deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended, in order to carry out the purposes of this joint resolution.

SEC. 4. The functions exercised under this joint resolution by the Secretary of Health, Education, and Welfare shall be excluded from the operation of the Administrative Procedure Act, but the Secretary shall provide for the greatest practicable distribution and publication of rules and regulations issued under this joint resolution.

SEC. 5. Nothing contained in this joint resolution shall be construed to limit or supersede the applicability of the Federal Food, Drug, and Cosmetic Act, as amended, or any rule or regulation promulgated thereunder.

SEC. 6. 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 provisions of this joint resolution.

SEC. 7. Any person who willfully performs any act prohibited or willfully fails to perform any act required by any rule or regulation promulgated under the authority of this joint resolution shall, upon conviction, be fined not to exceed $10,000 for each such offense.

SEC. 8. All of the authority conferred under this joint resolution on the Secretary of Health, Education, and Welfare shall terminate at such time as the Secretary shall report to the President and the Congress that there is sufficient Salk vaccine to make unnecessary further controls under this joint resolution.

Mr. CASE of New Jersey. Mr. President, reports of the administration of Salk vaccine to adults and others not in the priority groups are deeply shocking.

The public, whose contributions made the Salk vaccine possible, the parents whose children are of the ages most susceptible to the dread ravages of polio, and the overwhelming number of parents and citizens who respect the priorities set by medical authorities and are quietly awaiting their turn, have every right to expect that immediate steps be taken to insure fair distribution throughout the country.

There is no dispute about the fact of a shortage. So long as the shortage continues, we are confronted with the unfortunate but, to my mind, undeniable, fact that no voluntary system of distribution can be expected to withstand the many various pressures for evasion. Whether these pressures arise from natural parental zeal or from selfish fear or cupidity, does not matter. The interests of all the children of the land are involved, and our children come first.

Doctors themselves will, I believe, welcome for the most part the institution of a distribution system under Federal control. This is not because most doctors will not respect to the full the priorities already established. No profession has set itself higher standards of conduct and none is more scrupulous in their observance. But today many doctors find themselves besieged, by anxious parents, by patients asking, in some cases threatening, for injections to which they may or may not be entitled, and for which the doctors may or may not have the necessary supply of vaccine.

I have therefore been very glad to join in sponsoring the joint resolution introduced by the senior Senator from New York [Mr. IVES], directing the Secretary of Health, Welfare, and Education, to establish an orderly and fair distribution system throughout the country during the period of shortage. This measure is a purely temporary measure. Its terms will expire whenever the Secretary finds that the shortage is ended. I regard it as in no wise setting a precedent, but rather as the fitting response of the Congress to a national situation which is both acute and unique.

I hope Congress will act on this proposal promptly. But inevitably there will be some delay. In the interim, I am confident that the administration will take whatever steps are possible, perhaps through a voluntary embargo on commercial shipments, to insure that all presently available vaccine will be channeled to school systems and educational institutions to take care of those chidren at the most affected age levels.

PRINTING OF ADDITIONAL COPIES OF PAMPHLET ENTITLED "DISPOSAL OF GOVERNMENT-OWNED COMMUNITIES AT OAK RIDGE, TENN., AND RICHLAND, WASH."

Mr. ANDERSON submitted the following resolution (S. Res. 96), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Joint Committee on Atomic Energy 7,000 copies of the Committee Print of the said Joint Committee during the 84th Congress entitled "Disposal of Government-Owned Communities at Oak Ridge, Tenn., and Richland, Wash.," dated April 1955.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. CAPEHART submitted amendments, intended to be proposed by him, to the bill (S. 1501) to amend the National Housing Act by adding a new title thereto providing additional authority for insurance of loans made for the construction of urgently needed housing for military personnel of the armed services, which were referred to the Committee on Banking and Currency, and ordered to be printed.

PROGRAM OF HIGHWAY MODERNIZATION IN CONNECTICUT—AMENDMENTS

Mr. BUSH (for himself and Mr. PURTELL) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1577) to enable the State of Connecticut to proceed with its program of highway modernization, which were referred to the Committee on Public Works, and ordered to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. BEALL submitted an amendment, intended to be proposed by him to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MORSE submitted amendments, intended to be proposed by him to House bill 1, supra, which were ordered to lie on the table and to be printed.

Mr. O'MAHONEY submitted an amendment, intended to be proposed by him, to House bill 1, supra, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted amendments, intended to be proposed by him to House bill 1, supra, which were ordered to lie on the table and to be printed.

STUDY OF MERCHANT MARINE TRAINING AND EDUCATION—REFERENCE OF SENATE RESOLUTION 35

Mr. PAYNE. Mr. President, I ask unanimous consent that Calendar No. 260, Senate Resolution 35, to authorize a full and complete study and investigation by the Senate Committee on Interstate and Foreign Commerce of merchant marine training and education in the United States, which was favorably reported to the Senate by the Commerce Committee on April 28, 1955, be taken from the calendar, and referred to the Committee on Rules and Administration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maine? The Chair hears none, and it is so ordered.

NOTICE CONCERNING NOMINATION OF WILLIAM G. EAST TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF OREGON

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in the nomination of William G. East, of Oregon, to be United States District Judge for the district of Oregon, vice James Alger Fee, elevated, to file with the committee in writing on or before Tuesday, May 10, 1955, any representations or objections they may wish to present concerning this nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION OF WILLIAM C. FARMER TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF KANSAS

Mr. KILGORE. Mr. President, on behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in the nomination of William C. Farmer, of Kansas, to be United States Attorney for the district of Kansas, for the term of 4 years, vice George Templar, resigned, to file with the committee in writing on or before Tuesday, May 10, 1955, any representations or objections they may wish to present concerning this nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF PUBLIC HEARINGS ON HOUSING BILLS BY THE SUBCOMMITTEE ON HOUSING OF THE SENATE COMMITTEE ON BANKNG AND CURRENCY

Mr. SPARKMAN. Mr. President, on behalf of the Subcommittee on Housing of the Senate Committee on Banking and Currency, I wish to give notice that public hearings on several housing bills pending before the subcommittee will begin at 10 a. m., on Tuesday, May 10, 1955, in room 301, Senate Office Building.

All persons desiring to appear and testify at the hearings are requested to notify Mr. J. H. Yingling, chief clerk, Senate Committee on Banking and Currency, room 303, Senate Office Building, as soon as possible.

Bills presently before the subcommittee expected to be considered during the hearings are as follows:

S. 1800, the administration housing bill, which I introduced by request.

S. 789 and S. 1022, to continue authority to make funds available for farm loans and grants under title of the Housing Act of 1949, as amended. S. 789 was introduced by me for myself and 35 other Senators. S. 1022 was introduced by Senator MUNDT and would also provide a method for insuring farm loans.

S. 1501, introduced by Senator CAPEHART for himself and 28 other Senators, to amend the National Housing Act by adding a new title providing authority for the insurance by the Federal Housing Administration of private loans made for the construction of military housing.

S. 1412 and S. 1642—both dealing with housing for elderly people. S. 1412, introduced by Senator MAGNUSON, would authorize the Public Housing Commissioner to make agreements with local public housing authorities for the admission of elderly widows, widowers, or single persons to public low-rent housing projects. S. 1642 was introduced by me to amend the United States Housing Act of 1937 in order to establish a program for the housing of elderly persons of low income.

S. 1524 was introduced by Senator LONG for himself and 24 other Senators to create a corporation for the extension of credit to aid local public bodies in the financing of public works.

S. 1565 was introduced by Senator CAPEHART for himself and two other Senators to amend the National Housing Act by adding a new title providing authority for technical research and studies on problems of air pollution and establishing a loan program to aid in the installation of air pollution prevention equipment.

S. 1744 and S. 1766—both dealing with the college housing program. S. 1744 was introduced by Senator FULBRIGHT for himself and me to amend title IV of the Housing Act of 1950 to aid educational institutions in providing housing and other essential facilities for their students and faculties. S. 1766 was introduced by Senator Magnuson to amend title IV of the Housing Act of 1950 to make loans available to certain junior colleges to provide housing for students and faculties.

PROPOSALS FOR PURCHASE OF THE BAYTOWN, TEX., GR-S FACILITY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have just received from the Chairman of the Rubber Producing Facilities Disposal Commission, listing the names of bidders for the rubber facility at Baytown, Tex.

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

RUBBER PRODUCING FACILITIES
DISPOSAL COMMISSION,
Washington, D. C., May 2, 1955.

Senator LYNDON B. JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSON: As you know, the period for the receipt of proposals for the purchase of the Baytown, Tex., GR-S facility expired last Friday, April 29. I am pleased to advise you that the Commission has received proposals for the purchase of that plant from the following nine prospective purchasers: Baytown Rubber & Chemical Co., Minnesota Mining & Manufacturing Co. in conjunction with Midland Rubber Corp., the American Resinous Chemicals Corp., Food Machinery & Chemical Corp., General Tire & Rubber Co., Thiokol Chemical Corp., United Carbon Co., Goodyear Synthetic Rubber Corp., Mr. Edwin W. Pauley.

Such wide interest attests, we believe, to the value of the Baytown facility.

Sincerely yours,

HOLMAN D. PETTIBONE,
Chairman.

EXTENSION OF TRADE AGREEMENTS ACT — UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I hold in my hand a proposed unanimous-consent agreement, which has been approved by the distinguished minority leader, the distinguished chairman of the Committee on Finance, and the distinguished ranking minority member of the committee. I send it to the desk and ask to have it stated by the clerk.

The VICE PRESIDENT. The clerk will state the proposed agreement.

The Chief Clerk read the proposed unanimous-consent agreement, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, May 4, 1955, after the conclusion of routine morning business, during the further consideration of H. R. 1, the Trade Agreements Extension Act of 1955, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the proposer of any such motion or amendment and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the bill shall be received.

Ordered further, That on the question of the final passage of the bill debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

The VICE PRESIDENT. Is there objection to the proposed unanimous-consent agreement? Without objection, the agreement is entered into.

Mr. JOHNSON of Texas. Mr. President, I point out that it may be necessary to keep the Senate in session late today, and I should like to have Senators put on notice of that possibility. So long as there are any Senators who care to address the Senate, the Senate will remain in session. It may also be that the Senate will remain in session late tomorrow evening.

Mr. IVES. Mr. President, taking advantage of the fact that I have the floor, I should like to ask the majority leader if there will be any votes taken on the bill today.

Mr. JOHNSON of Texas. There will be no vote today. The agreement just entered into will not go into effect until tomorrow. I shall discuss later with the

distinguished minority leader the desirability of having the Senate meet earlier than usual tomorrow, at perhaps 10 or 11 o'clock, so that the bill may be disposed of tomorrow. However, I shall make an announcement with respect to that later, after I have consulted with the minority leader.

POLISH CONSTITUTION DAY

Mr. IVES. Mr. President, today marks the 164th anniversary of Polish Constitution Day. In this connection, I have prepared a statement which I ask unanimous consent to have printed in the body of the RECORD, following these remarks.

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

STATEMENT BY SENATOR IVES ON POLISH CONSTITUTION DAY, MAY 3, 1955

I am once again highly privileged to join my fellow citizens of Polish descent in commemoration of the auspicious anniversary of Polish Constitution Day. On this significant national holiday, while the gallant people of Poland continue to endure the suffering inflicted by the Communist tyranny, it behooves free people everywhere to recall the heritage of freedom which is embodied in the history of Poland.

Polish Constitution Day is of special significance at this time—for the revelations of the infamous Yalta agreement are fresh in our mind. We shall never waver in our determination to support Poland in her resistance to the oppressors. Let us therefore reaffirm our traditional friendship with the Polish people and rededicate ourselves to their liberation. Only when that day arrives will the wrongs committed at Yalta be righted.

Mr. WILEY. Mr. President, as stated by the Senator from New York [Mr. IVES], today, May 3, is the national holiday of a gallant ally of this country. It is Polish Constitution Day.

Ten years have elapsed since the guns ceased firing in World War II, but Poland, the land in whose defense Britain and France took up arms in that global conflict, is enslaved rather than free, and the world mourns for her.

Yet, Poland still lives. Poland has not abandoned hope. Poland remains as faithful to its ideals, to the church of its fathers, to aspirations for its sovereignty, just as throughout its history it never yielded in its zeal for freedom in spite of all the persecution of foreign tyrants.

Last week, in anticipation of this day, it was my privilege to release a statement broadcast to the people of Poland by Radio Free Europe. I ask unanimous consent that the text of this statement be printed at this point in the body of the CONGRESSIONAL RECORD as one small indication of the friendship of the people of this land for a faithful, courageous, worthy ally.

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

STATEMENT BY SENATOR WILEY ON RADIO FREE EUROPE ON POLISH NATIONAL HOLIDAY

I should like to convey my warmest personal greetings to the people of Poland on the occasion of their national holiday—Constitution Day.

As in the most recent years, the celebration of Constitution Day this year will once more be a sad one because of Poland's enslavement under the heel of a godless tyrant.

We know, however, that Poland shall yet be free, as time after time in her previous history she rose successfully against aggressors who thought they had permanently enslaved her.

The people of the United States maintain their warmest fraternal ties with the people of Poland. We pledge to you that we will never accept your enslavement. We will never tolerate foreign rule of you.

We look forward to that day when your sovereignty shall be restored, when you shall be free once more to worship devoutly in the faith of your fathers.

We salute the invincible spirit of Poland. We express our gratitude to the countless contributions of the Polish people to the liberty and independence of my own country.

We urge you men and women of Poland to keep your spirits high, never to let your faith dim that you shall be relieved of the yoke of the atheistic enemy.

The serious disturbances inside the Soviet empire, at the top and at the bottom, show that the day shall yet come when the armies of the aggressor shall recoil and the enslaved peoples shall be liberated.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by the junior Senator from Massachusetts [Mr. KENNEDY] on the anniversary of the adoption of the Polish Constitution.

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

STATEMENT BY SENATOR KENNEDY

On this anniversary commemorating the adoption of the Polish Constitution of 1791, it is a fitting occasion to pay tribute not only to this historic document, but also to pay tribute to the Polish people themselves. It ought not to be forgotten that this constitution was, after all, the product of the genius of the Polish people.

The May 3 constitution stands among the great constitutional documents of the world perhaps for one singularly significant reason: It gave to the Polish people a plan which, if put into practice, effectively, would surely have brought orderly government to Poland and undoubtedly would have enlarged substantially the area of freedom throughout the nation.

Hopes of the Polish reformers and the Polish people who enthusiastically acclaimed promulgation of this constitution were soon destroyed, when in 1792, almost a year to the day after the constitution was adopted, Russia intervened in Poland, defeated the Polish army, abolished the constitution of 1791, and subsequently partitioned Poland for a second time.

Although both their state and their constitution were destroyed, the hopes of the Poles were not crushed. Rather, their hopes for constitutional democracy and freedom continued to thrive and became part of the Polish tradition. These hopes, along with those other commendable Polish qualities of courage, patriotism, resistance to oppression, and a fighting spirit, all helped to shape what can be termed the "Polish national spirit."

It is this idea of the Polish national spirit which, during decades of oppression, was one of the principal sustaining forces of the Polish people. And today as Poland is again suppressed by a foreign power, it will be this same national spirit which ultimately will be the determining factor in the salvation of Poland.

Upon all Americans as well as the entire free world there rests the obligation to give encouragement to the oppressed people of Poland and all other peoples compelled to live under Communist tyranny. Never should it be said that the American people were indifferent to the fate of Poland. Although Poland does not today enjoy the freedom for which it yearns, our country looks to that future date when, freed from Communist tyranny, the Polish people will once again be joined in brotherhood with all free men.

Mr. BIBLE. Mr. President, on behalf of the distinguished junior Senator from Michigan [Mr. MCNAMARA], I ask unanimous consent that a statement prepared by him on the 164th anniversary of the Polish Constitution be printed in the RECORD.

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

STATEMENT BY SENATOR MCNAMARA

To address you, the valiant people of Poland, today, on the 164th anniversary of the adoption of your constitution of 1791 is a high honor.

For the American people recognize that your constitution of 1791, like our own Constitution of 1787, is one of the great landmarks in the continuing struggle of mankind to live in freedom. It stands as a glorious symbol of the deep-seated dedication of the Polish people to govern themselves, free from foreign tyranny.

Time and time again, throughout the painful centuries of Polish history, your heroic land has been enslaved by cruel oppressors. Yet Poland has never died and Poland never will die. The spirit that brought forth the constitution of May 3 cannot be smothered or crushed, because it lives in the hearts of Polish men and women.

It was this same spirit that brought Thaddeus Kosciusko to the shores of America to join in the struggle of our Nation for freedom—Kosciusko, of whom Thomas Jefferson, the architect of the American Declaration of Independence, declared, "He was as pure a son of liberty as I have ever known."

It is the same spirit that moves today in the hearts of 5 million American citizens of Polish descent who have made and continue to make great contributions to the strength and vigor of our own democracy. In my own home State of Michigan, within the boundaries of just one city, Detroit, there are 350,000 Americans of Polish origin and they are among our finest and most useful citizens.

The spirit that gave birth to the constitution of 1791 is, finally, a spirit that will not be destroyed by the terror and tyranny of Soviet communism. For, as your national anthem magnificently declares, "Poland is not yet lost."

No, Poland is not yet lost. And I assure you that the American people, bound to the people of Poland by a common faith in liberty and democracy, will not rest until your nation is finally free.

People of Poland, take heart. For Poland will live again.

SANFORD, MAINE

Mr. PAYNE. Mr. President, last year, the town of Sanford, Maine, was hit by a major economic disaster when control of the Goodall-Sanford mills was acquired by the Burlington Mills Corp. Burlington immediately began to close the Goodall-Sanford mills. When more than 3,500 people lose their jobs in a town with a total population of 15,000, it is enough to make anyone question the prospects for the community's future.

The people of Sanford, however, rallied. With a sense of urgency, as well as faith in the future, a chamber of commerce was organized. A vigorous campaign to bring new industry into

the community was undertaken. This campaign is beginning to show results which are inspiring even greater efforts in Sanford's behalf.

Faced with a major crisis in their community's life, the leaders and people of Sanford have risen to the occasion with a fervor reminiscent of our Nation's pioneers. They refused to sit on the sidelines and watch their town die.

I want to pay high tribute here in the Senate today to the Yankee ingenuity and old-fashioned resourcefulness which the citizens of Sanford have shown. So long as our people have such faith, we need not fear for the future of our Nation.

I ask unanimous consent that editorials from the Portland (Maine) Press-Herald and the New York Herald Tribune, together with articles from those papers and from the New York Times, all paying tribute to Sanford, may be printed at this point in the RECORD, as a part of my remarks.

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

[From the Portland (Maine) Press-Herald of April 30, 1955]

THE BELIEVERS IN SANFORD SHOW OLD-FASHIONED RESOURCEFULNESS

As far as we are concerned the most stimulating news of the week is Sanford's show of old-fashioned resourcefulness in sending a delegation to New York to look for new industry.

If ever a community had reason to invite ghosts to take over, Sanford did when its world-famous Goodall-Sanford mills faded into the Burlington mill system and Burlington faded away to the South. Nearly 4,000 lost their jobs in a town of 15,000. It was enough to break the heart and the faith of any but the most persistent believers in the future of Sanford.

The encouraging news this week is that Sanford is full of such persistent believers, full of people who stubbornly refuse to let their home town die. The trek to New York by a group of prominent Sanford citizens, their invitation to New York industrialists to come to Sanford to look the facilities over, and the launching of a full-scale promotion program are but the more dramatic results of weeks of work, weeks of planning and sacrifice by those with faith in Sanford.

People in other parts of Maine can look at Sanford as an inanimate problem. But to Sanford people the success or failure of efforts to lure new industry is a personal thing, closely related to the rearing of children, the financing of schools, and medical care; in other words, the people of Sanford need to replace their lost industry in order to live normal lives, in order to plan for the future.

Sometimes breaks come to those who wait. More often they come to those who go out looking for them, as the believers in Sanford's future have been doing this week.

[From the New York Herald Tribune of May 3, 1955]

A CITY THAT WILL NOT DIE

Sanford, Maine, is a town that doesn't know when it's licked. And not knowing, it probably isn't. A one-industry city that lost its principal means of support last August when its textile mill moved south, Sanford is fighting back after a blow that might well have proved fatal.

New York first became aware of the city's fight to live through an advertising and publicity campaign carried on with considerable skill by a chamber of commerce formed to fill the breach when Sanford found it had to bring in new industry or perish. "We refuse to die," proclaimed advertisements designed to inform employers of the advantages of setting up shop in the city. The story of manufacturing space available, of willing labor anxious for work, was also told at a luncheon for businessmen in New York last week. A picture was painted that might well attract manufacturers northward to the small Maine city.

Another picture emerges on the scene. A reporter visiting the town found evidences of real New England character in the well maintained houses, in the surprising low caseload of the relief agencies, in the unexpanded debt, and undiminished savings at the banks. He found that reading is on the upgrade—there's a small boom on at the public library. The belles of the city are wearing simpler, less expensive flowers at the dances, or no flowers at all. Cheaper foods are being sold, and business at the beauty parlor has suffered. No cries for help are being heard, no breast beating over injustice, no suggestion that some one is obligated to step in and save the town. Sanford will save itself.

Few people will follow the Sanford story without a feeling of admiration for the fortitude and initiative being shown there. Dislocation is not uncommon in this active economy, even in the midst of prosperity, and there is an example here worthy of study. It is to be hoped, though, that not every one will sit back lost in admiration. There is an opportunity for some one to do himself and a worthy community a lot of good.

[From the Portland (Maine) Press-Herald of April 28, 1955]

SANFORD PUSHES NEW YORK DRIVE TO GAIN NEW INDUSTRIES

NEW YORK, April 27.—The unemployment-ridden textile town of Sanford, Maine, invited New York industry today to "come on up and look us over."

Disaster hit the New England community of 15,000 when Burlington Industries, Inc., world's biggest maker of synthetic fiber fabrics, acquired control of the town's major industry last year.

Step by step, the sprawling Goodall-Sanford mills suspended operations. Workers were laid off in successive waves as Burlington shifted the mill's production to the South; some 3,600 lost their jobs. Four weeks ago, when the shutdown was complete, townspeople flocked into Sanford's churches for a day of prayer and mourning.

Today, at a luncheon at the Lambs Club here, Sanford businessmen launched a full-blown promotion and sales campaign aimed at attracting New York industries to Sanford.

"We decided on the New York area because it has the biggest concentration of industrialists in the world," auto dealer Edwin Ballenger said. He heads the Sanford Chamber of Commerce.

William "Bud" Wright, vice president of the chamber and publisher of Sanford's weekly newspaper, listed Sanford's major attractions for the audience of New York bankers and businessmen: 1½ million square feet of modern factory space for sale or lease in whole or in part, plenty of cheap water and electric power, low tax rates, first-class schools and recreational facilities "all bought and paid for," easy accessibility to Boston and New York, and the best labor market in the country.

The impact of the textile mill's closing was described by Maine State Senator Carl J. Broggi: "We survived Hurricane Carol and Hurricane Edna," he declared, "but Hurricane Burlington almost knocked us out. All our merchants and businessmen suffered; some went out of business."

The New York campaign will start with a series of display ads in virtually all newspapers in the New York City area. Brochures and sales letters extolling Sanford's virtues are being mailed to 10,000 New York area industrial concerns, to be followed by personal calls on likely prospects.

Promotion tools include a brochure reporting results of an aptitude test on Sanford's unemployed, and a movie showing the town, the mill, and the people.

William Rogers, executive secretary of the Sanford Industrial Development Commission, reported that unemployment has now been reduced to about 3,200. The Goodall mills originally comprised two million square feet. The entire property was bought by a Quincy, Mass., industrial development firm, and space totaling half a million square feet has since been leased to new industries, leaving 1½ million still available.

One further attraction cited by Sanford business leaders: Sanford has been classed by Washington military authorities as a nontarget area.

[From the New York Herald Tribune of May 2, 1955]

SANFORD'S BATTLE TO SURVIVE—FIVE INDUSTRIES MOVE IN, ADULTS LEARN NEW SKILLS

(By Robert A. Poteete)

SANFORD, MAINE, May 1.—The textile mills that were the economic heart of this southern Maine town for 87 years have all closed down now, and 15,567 Sanfordians are fighting a remarkable battle for their economic life.

By all the rules, Sanford ought to be breathing its last. It was a one-industry town; 4,000 workers earned $15 million a year at the looms and vats of the Goodall-Sanford Corp. Less than a year was required to end what had been a way of life to three generations.

But Sanford decided it wouldn't expire just now. There were the buildings, good ones with 2 million square feet of floor space; a pool of highly skilled industrious workers; a plentiful supply of fine water; adequate transportation; hospitable State and local governments, and a fine community.

TWENTY-FIVE-THOUSAND-DOLLAR WAR CHEST

There was no reason, Sanford figured, why new industries shouldn't occupy those buildings and employ those people. So, while the mills obviously were succumbing to southern competition and the other ills of New England textile mills, Sanford organized in search of new growing-type industries.

The business community took the lead, with the backing of most Sanfordians who love their clean town, their good schools, their churches, their good neighbors and friends. They agreed on a terse little statement of common sentiment: "We refuse to die."

They formed a chamber of commerce, gave it a $25,000 war chest and started getting the word to industrialists. They drew up a brochure and a letter and mailed copies to 10,000 industrial leaders—in envelopes addressed by women volunteers.

They persuaded an industrial development firm to buy up the mill buildings—once valued at $2,658,725—for $525,000 and put up the space for sale or rental.

FIVE INDUSTRIES MOVE IN

Last week they dispatched six of their brightest young business men to New York—volunteers who took advertisements to tell industrialists about Sanford, then told them about the town personally in interviews and at lunch.

Five industries have moved into the mill buildings, taking one-fourth of the floor space. So far, they offer more promise than employment, although the largest—the Wasco Chemical Co., makers of plastic building domes—has 155 persons on its payroll and expects to add 350 more within a year.

The high schools have opened classes to teach new skills to adults. The Maine Employment Security Commission gave aptitude tests to a cross-section of the unemployed and cataloged the skills available in Sanford.

Meanwhile, the pinch is on, individually and in the city government. Removal of a $15,000,000 payroll would make a gap even in a much larger community.

PEOPLE ARE HOPEFUL

Yet morale apparently is high, fed on hope, faith and determination. Sanfordians have added prayer to their more immediate efforts—April 1 was a city-wide day of prayer for guidance.

"The people are hopeful," said the Reverend Rosario E. Ouellette, Catholic priest. "I haven't seen any one discouraged. They can get along on much less. I don't know any one who is down and out. They're not down, not licked; they have faith in the town. They'll take anything; they're not spoiled. I find that there is a note of hopefulness."

Sydney Waterhouse, 54, was a supervisor in the mill. When he was laid off, he bought a model A truck for $50 and went into the odd-job business, which keeps him hopping. "I like this," he said. "Even when I get back to regular work, I'll keep it up. I've lost 23 pounds, and I feel great."

"I put my name everywhere they ask for it," said Mrs. Solange Lamontagne, "but so far, they look at me with a sad face, and say, 'No job.'" Mrs. Lamontagne and her husband both worked at the mill. He has found temporary work in a near-by town, and she is drawing unemployment compensation of $27 a week, which she is entitled to for 20 weeks a year.

I WANT TO WORK

Mrs. Anita Demers, a former mill worker now a temporary clerk in the employment office, said she was "not satisfied, but happy." People she knew at the mill come into the office. "Some," she said, "are glad for the vacation—I shouldn't say that, but it's true. And others are anxious to find something soon."

Verdi McFarland, 58, former weaver, is concerned that his age may prevent his being hired. "I want to live here, and I want to work," he told an employment clerk, gesturing vigorously. Would he seek relief? "I can't do that," he said: "I've got too much pride for that. Just give me a job; I can do it."

A majority of the mill workers are still in Sanford. Some work in neighboring areas, full or part-time; a great many others are making-do with the unemployment checks and an occasional day's work. Probably because of the prosperity Sanford has enjoyed for many years, the pattern of economic life in Sanford is not clear yet—some factors are obvious, but often contradictory.

They are still buying their weekly newspaper, "The Sanford Tribune," regularly, according to publisher William F. Wright Jr., 30, who is one of the chamber of commerce's most active members. They count on Miss Elizabeth Mitchell, editor, to keep them informed.

BUY FEWER FLOWERS

They are buying fewer flowers, by half. And where young girls once wore gardenias, roses, and orchids to dances, they now wear daisies, carnations, sweet peas or no flowers.

Women still go to the beauty shop, but only for haircuts, which they cannot manage for themselves; they manage their own shampoos, rinses, and waves.

They are buying some 50 percent fewer refrigerators, washing machines, and kitchen ranges. But the repossession rate remains normal, even on long-term purchases.

Savings are down $50,000 in one trust company, but up $100,000 in another. Loans are definitely down in both places, but the foreclosure rate is at a normal low. In some cases, borrowers are paying only interest and deferring principal.

"Unemployment payments are carrying them," one banker said.

There is no more crime than usual, which means there is little for the 13-man police force to deal with.

They are eating more casseroles and cold cuts, fewer steaks, chops and roasts. The Ideal Restaurant's $2.25 Porterhouse steak has vanished from the menu; a $2 club steak is now the highest-priced item there.

TOWN READS MORE

They are reading more. During the first 3 months of this year, they borrowed 3,000 more books from the public library than they did in the first 3 months of 1954. There is a heavy demand for gardening and other how-to-do-it books.

They're not asking for relief. Thomas A. Meunier, selectman, assessor and overseer of the poor, said he had been surprised at the lack of applicants. There are 358 persons on relief now, compared with 304 in April of 1954.

"Most people have enough to carry them through to the fall," he said. "We expect quite a few more then."

The town faces heavy budgetary trouble this year. Goodall-Sanford paid more than a third of the real estate taxes that make up most of the city budget. Assessed at the price paid for them for industrial development, the buildings will yield much less tax revenue.

In many cases, this would indicate development of a ghost town. But Sanfordians figure that their trim, neatly painted homes are too good for ghosts.

[From the New York Times of May 1, 1955]

MAINE CITY FIGHTS LOSS OF INDUSTRY—SANFORD LEADERS SEEK NEW ENTERPRISES AS TEXTILES ABANDON TOWN

SANFORD, MAINE, April 30.—Abandoned by textile interests, this town is tackling the problem of restoring economic security.

Six members of the chamber of commerce paid their own expenses to New York this week and interviewed prospects.

Carl J. Broggi, chairman of the chamber's industrial development committee, reported talks with 62 concerns that were interested in decentralizing present plants or in moving to Maine to start new enterprises.

The last textile operation is the Goodall-Sanford, Inc., division manufacturing summer suiting. The company originally operated six mills in Sanford, each turning out a separate textile product. At the peak, about 3,600 persons were employed.

COURT RESTRAINS COMPANY

Burlington Mills Corp., of Greensboro, N. C., bought out the Goodall-Sanford interest last November. Last month the new owners announced they were dismissing 1,800 employees and shutting down the last operation.

A Federal court injunction has enjoined Burlington from carrying out its intention. This is not expected to be permanent. The Textile Workers Union of America, CIO, obtained the injunction. It wants the workers placed on lay-off status, instead of outright dismissal, to protect vacation, insurance, and other fringe benefits.

Since last November, close to 1,500,000 square feet of the Goodall-Sanford mill properties were purchased from Burlington by the Grossman family trust of Quincy, Mass.

The Grossman family, largely concerned with lumber and building supplies, recently has bought up abandoned mill properties in New England. In several cases, it has managed to resell or lease space to new, diversified industries.

Sanford has a population of 15,000. It is situated about 30 miles south of Portland. There still are many idle. Thomas Meunier, a Sanford selectman, says an exact figure is unavailable since many Sanfordites have found jobs outside. They would prefer to work in their own town if new industries arrived.

As it is, some commute more than 100 miles a day to Laconia, N. H., where there is work in mills. Others drive to Exeter and Newington, N. H., or to Biddeford and Saco, Maine.

SMALL CONCERNS MOVE IN

Already several small companies have moved in. The Wasco Chemical Co., plastic manufacturers, began operations in the former Goodall-Sanford property and is employing 189.

The Seamlock Carpet Co., with around 20 employees, was formed by men once employed by Goodall-Sanford. They expect to expand as soon as the Burlington interests move out textile equipment.

The whole town is interested in the chamber of commerce and the Grossman promotions to attract new industry. This week, advertisements were run in metropolitan newspapers in the east. They were entitled "We Refuse to Die * * * 15,000 People Fight Back."

Maine has no corporate or personal income taxes. It does have a 2-percent sales tax. In addition to the regular banking facilities, Maine also has the pioneer State development credit corporation. This is a privately operated agency that has funds available to lend to risks who cannot qualify through normal channels.

COMMENTS BY THOMAS L. STOKES ON FORMER PRESIDENT TRUMAN'S RECENT VISIT TO WASHINGTON

Mr. LEHMAN. Mr. President, 2 weeks or so ago the former President of the United States, Harry S. Truman, was in Washington. He met with some of us here in the Senate. As an honored former Member of this body, as well as in his capacity as a former President, he visited with us here on the floor.

Among other things, President Truman delivered a speech at a Democratic dinner in honor of Speaker SAM RAYBURN.

Most, if not all, of us took pleasure in seeing Harry Truman again. He is a truly lovable man, quite aside from the political principles and ideals for which he stands with which I happen to agree. Others may differ.

There was much editorial comment, pro and con, on President Truman's speech at the Rayburn dinner. I was there, and I thought it was a great speech, a fighting speech, a much-needed speech. With all my heart I subscribe to what President Truman said.

Of all the public comments that have been made upon President Truman's visit to Washington and his activities while here, I have read none which pleased me more than a column written by that veteran Washington reporter and commentator, Mr. Thomas L. Stokes. This particular column was an appropriate reflection of the sharp and brilliant powers of observation which have long characterized this eminent political reporter.

I ask unanimous consent that Mr. Stokes' commentary on Mr. Truman be printed in the RECORD at this point in my remarks.

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

TRUMAN REFRESHING IN STUFFY DISTRICT OF COLUMBIA

(By Thomas L. Stokes)

WASHINGTON.—It was nice to have Harry Truman back in town for a few days—and how refreshing!

Since he went away 2 years ago, Government has become aloof and stuffy, and sort of exclusive, lacking the human warmth he gave it. It's become more of a private affair, like a board of directors' meeting behind closed doors or a session of the Joint Chiefs of Staff — very hush-hush. Government doesn't seem so close to people any more.

It's funny that you don't realize what has happened, often what is missing, until it suddenly becomes very clear, just as when Harry Truman came back, and moved about our city and among the folks, friendly and smiling—and then you could understand.

You wouldn't think the spirit of one man could so permeate something as big as a whole government.

You suddenly realized, too, what is missing from our national politics, which has been so full of high-minded talk about "bipartisanship" and "cooperation" and "good will" that it became chilly and cheerless and boring.

Not until Harry Truman came back, and got himself a platform, and made one of his bristling speeches full of stout adjectives and burning indignation and honest concern for what Government ought to do about plain folks—why, you wouldn't know we still had the two-party system in this country.

In just one speech he brought the two-party system back, but it probably left town again with him. Always amusing is the way he stirs up Republicans whenever he opens his mouth, and they are crying now to high heaven about his criticism of the Eisenhower administration as if it were a crime. Then you remember the names they used to call him. But he could take it.

He seemed hale and hearty again and maybe he can take the two-party system on tour later and show it to the people and bring some life back into our politics, which is so much a part of our national life.

When Harry Truman came back, you had the feeling he was coming back home—and yet this is not his home. That's out in Missouri. But he had become somehow a part of this community, and never seemed just a transient. To so many people this city is just a place to hire a furnished house and a caterer and a butler to give cocktail parties to other people also here temporarily—though to lots of us it is home and the hometown. Harry Truman had become part of that hometown.

That explains the friendly feeling that people for whom Washington is the hometown have for him, which was so obvious in the warmth generated toward him by people wherever he appeared on his visit and for the question heard so often:

"It's good to have Harry back, isn't it?"

SHORTAGE OF PRIMARY ALUMINUM

Mr. MURRAY. Mr. President, in view of the current tight supply of primary aluminum adversely affecting independent users of aluminum and the inadequacy of steps taken by the Government to relieve the situation, I wish to place in the body of the RECORD at this point in my remarks an exchange of correspondence I have had on this matter with the Director of the Office of Defense Mobilization.

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

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
April 1, 1955.

Mr. ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization,
Executive Office Building,
Washington, D. C.

DEAR MR. FLEMMING: Recurring stories in the press and private advices to me indicate a current or imminent shortage of primary aluminum in the United States. According to information I have received, the 3 primary aluminum producers in the United States took 83 percent of their entire primary aluminum production in 1954 (all the aluminum produced in this country in 1954) for their own use either in their own fabricating and sheet facilities or for sale to the Government stockpile. The 4,000 independent pig and ingot users in the United States, who sell their products in competition with the 3 primary producers, received only 17 percent of the total domestic primary aluminum production.

As this is written, the independent users are finding it increasingly difficult to either place spot orders for primary aluminum with the primary producers or to get acceptances for orders placed with the primary producers earlier this year or in 1955.

Since the Federal Government, through administrative agencies operating under the Defense Production Act of 1950 has repeatedly gotten into the field of aluminum, to assure the Nation increased primary aluminum capacity, it now seems necessary to examine Government activity in this field to determine whether its actions under established Federal policies have fulfilled the goals of those policies.

In inducing primary aluminum producers to expand their production capacities by extending to them accelerated tax amortization, guaranteed market contracts, and, in some cases, loans and loan guaranties, it was the twofold intention of the Government to (a) increase the Nation's ability to produce primary aluminum; and (b) assure that substantial additional quantities of primary aluminum would become available to independent users from the expanded production capacity.

To achieve the second of these two goals, the Government originally planned to write the guaranteed market contracts with distribution clauses reserving one-third of the production from the expanded capacity for sale to the independent users, one-third for the use of the prime producers, and one-third for sale by the prime producers to the stockpile. The contracts were intended to provide separate sources of primary aluminum from the new capacity for both segments of the aluminum industry and the Government stockpile.

Reservation of one-third of the new capacity for the independent users would have achieved one of the primary goals for which the Government sponsored programs were created. Fulfillment of this goal was never achieved.

When it came to writing the guaranteed market contracts, the primary producers saw to it that one-third was reserved for their exclusive use. However, by a deception little noticed at the time, the contracts combined the one-third that was to be set aside for independent users with the one-third to be sold to the Government stockpile in a single clause reserving two-thirds of the expanded capacity for the independents subject to a prior call for the stockpile. The independents got two-thirds of the new expansion capacity diluted by the stockpile take which came out of their two-thirds before they received their own share. No ceiling was placed upon the amount of stockpile metal the Government could take out of the two-thirds reserved for the independents.

It was made to appear that the Nation's credit, through its lending and loan supporting powers, was extended to guarantee independent users a firm supply of one-third of the output of the new capacity. In reality, however, while the prime producers have a guaranteed one-third take of the new capacity not subject to invasion by the stockpile take, the independent users have no firm guaranteed take from the expanded capacities. The two-thirds reserved for the independent users is subject first to the call of the stockpile, and the independents get only what is left. In addition, the primary producers have combined the less than one-third of expanded capacity shipped to independents and the aluminum shipped to independents from old or pre-expansion capacity and regarded the total arrived at thereby as fulfilling their obligation to the independent users under the guaranteed market contracts.

These procedures have worked to: (a) Reserve absolutely one-third of the new capacity for use by the primary producers; (b) Reserve all of the old or pre-expansion capacity for use by the primary producers; (c) Reserve most of the two-thirds of the new production set aside for independent users to the prime producers for sale by them to the Government in fulfillment of stockpile requirements. (The sale of primary aluminum to the stockpile by the prime producers is the same as sale of primary aluminum to any user by the prime producers since dollar receipts for all sales go into the same till).

In 1954, the year of highest production from the expanded facilities since inception of the expansion programs, the independent users, instead of receiving 33⅓ percent of the expanded capacity production, as was intended by the Government, received only 16⅔ percent of the expanded production, and a total of only 17 percent of the entire production of the domestic aluminum industry for the year 1954.

Defeat of the Government's aims in this matter is demonstrated with the following figures: (see chart A following. In 1950 total primary aluminum production from the three prime producers in the United States amounted to 1,403,000,000 pounds. Of this production 300 million pounds was shipped to independent users. The Government recognized at the inception of its aluminum production expansion programs that independent users were to receive the 300 million pounds they had received from the primary producers in 1950, in addition to the amount provided for them under the guaranteed market contracts.

In 1954, total primary aluminum production in the United States was 2,921,000,000 pounds, including 1,204,000,000 pounds resulting from the Government's aluminum expansion programs covered by guaranteed market contracts. From this production, there should have been available to independent fabricators (a) 300 million pounds from the old primary aluminum capacity, as in 1950, and (b) one-third of the new capacity of 1,204,000,000 pounds (403 million pounds) as per the guaranteed market contracts. In other words, there should have been available to independent fabricators in 1954 a total of 704 million pounds.

On the basis of distribution figures available to me for the 1954 primary aluminum production, the primary producers shipped only 500 million pounds of aluminum to the independents. The remaining 2,421,000,000 pounds of aluminum was retained by the three producers for their own fabricating facilities and for delivery to the stockpile.

CHART A.—*Primary aluminum sold independent fabricators from 1950 and 1954 production*

1950:	
Total production	1,403,000,000
Shipped to independents (21 percent)	300,000,000
1954:	
Total production (old and new capacity)	2,921,000,000
Available to independents from old capacity	300,000,000
Available to independents from new capacity	403,000,000
Total available to independents	704,000,000
Shipped to independents (17 percent)	500,000,000

Examining first the 500,000,000 pounds shipped to independents: (a) 300,000,000 pounds of this total was shipped to the independents from old capacity (as in 1950); (b) 200,000,000 pounds, therefore, was shipped from the new capacity. This amounts to approximately 16⅔ percent of the new capacity instead of 33⅓ percent the Government intended to be shipped to independents from expanded capacity as provided under guarantee market contracts. Independents received a total of only 17 percent of the entire 1954 domestic production.

Examining next primary aluminum from expanded capacity retained by the primary producers (see chart B following): (a) The total expanded new capacity amounted to 1,204,000,000. Of this the primary producers retained one-third or 400,000,000 as per the guaranteed market contracts for their own fabricating uses; (b) since 200,000,000 pounds of this new capacity was sent to independent users, assumedly, therefore, 604,000,000 pounds was shipped to the stockpile in order to fulfill requirements under the guaranteed market contracts that two-thirds of the aluminum from new capacity be reserved for independent fabricators and stockpile.

CHART B.—*Primary aluminum distributed to independent fabricators, producers, and stockpile from 1954 production*

1954:	
Production from new capacity	1,204,000,000
Shipped to independents from new capacity (16⅔ percent)	200,000,000
Shipped to prime producers from new capacity (33⅓ percent)	400,000,000
Reserved for stockpile from new capacity (50 percent)	604,000,000

In order to substantiate or correct the above figures, I wish to have copies of all guaranteed market contracts between the Government and primary producers now in force, as well as direct answers to the following questions:

1. How does the Government know whether provisions of guaranteed market contracts between it and the primary producers are fulfilled, i. e., that the primary producers retain one-third of the aluminum from expanded capacity and the remaining two-thirds is dedicated to the stockpile and sale to independent users?

2. What Government agency or what individual in the Government is responsible for keeping track of the administration of the distribution clauses of the guaranteed market contracts between the Government and primary producers?

3. What steps have been taken by the Government or a designated agency or officer to assure that the intention of the Government in executing the distribution clauses in the guaranteed market contracts is followed, i. e., that of the two-thirds of expanded primary capacity reserved for stockpile and independent users, one-third goes to the stockpile and one-third goes to independent users?

The Office of Defense Mobilization has recently announced that it will forgive delivery of 150 million pounds of aluminum to the stockpile by the primary producers under its guaranteed market contracts during the first half of 1955.

Since, under the guaranteed market contracts, the stockpile metal comes out of the two-thirds of expanded production reserved for stockpile and independent users, how is the Government supervising and directing distribution of the 150 million pounds to independent users?

It has come to my attention that primary producers or their representatives serve as members of industry advisory committees on primary aluminum to various agencies of the Government. Presumably this places them in a position of considerable influence with respect to decisions made concerning distribution of primary aluminum. In what way is this influence offset or counterbalanced by equal representation of the independent aluminum users?

I would appreciate prompt reply to my questions.

Sincerely yours,

JAMES E. MURRAY.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., April 14, 1955.

Hon. JAMES E. MURRAY,
United States Senate,
Washington, D. C.

DEAR SENATOR MURRAY: This will acknowledge your letter of April 1 stating that the independent users of aluminum are finding it increasingly difficult to obtain their requirements of primary metal from the producers, and requesting information in reply to a series of questions related to the rights and obligations of the primary producers and the independent fabricators under the market guarantee contracts with the Government. You have also requested copies of all such contracts now in force between the Government and the producers.

In view of the fact that your questions relate primarily to the contractual responsibilities set forth in the market guarantee contracts, and since the administration of these contracts has been delegated to the General Services Administration under the provisions of Executive Order 10480 of August 15, 1953, I am taking the liberty of transmitting your letter to Mr. Edmund F. Mansure, Administrator of GSA, for appropriate reply.

I am quite certain that Mr. Mansure can supply the desired information and sincerely trust that our action will meet with your approval.

Sincerely yours,

ARTHUR S. FLEMMING,
Director.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
May 3, 1955.

Mr. ARTHUR S. FLEMMING,
Director, Office of Defense, Mobilization, Executive Office Building,
Washington, D. C.

DEAR MR. FLEMMING: I have your letter of April 14 and find it an inadequate response to my inquiry of April 1 for the following reasons:

I do not believe delegation of the administration of market guarantee contracts to General Services Administration by Executive Order 10480 relieves you as Director of ODM of your obligations and responsibilities under the Defense Mobilization Act as regards the Government stockpile in general and stockpile aluminum in particular.

It was by your order of March 23, 1955, that primary aluminum producers were permitted to reduce their shipments to the stockpile by 150 million pounds in the first 6 months of 1955.

I understand that under the guaranteed marketing contracts, two-thirds of the production of primary aluminum covered by the contracts, less the quantity purchased by the Government for the stockpile, should be made available by the primary producers for sale to nonintegrated users. It is further required that notice of the offer of such aluminum shall, under the contracts, be appropriately published.

The aluminum released by you from shipment to the stockpile should, by the terms of these contracts, be made available for sale to the nonintegrated aluminum users. It was not sufficient for you to merely direct forgiveness of the stockpile shipments. It was necessary for you thereafter to assure that the 150 million pounds of aluminum released to the primary producers be distributed to the nonintegrated users.

I therefore ask: By what directive to General Services Administration, the agency charged by Executive order with administering the guaranteed marketing contracts, or to any other Government agency, have you protected the rights and interests of the nonintegrated aluminum users by guaranteeing that they will have the forgiven stockpile aluminum made available for sale to them by the primary producers.

I would also like to know if your legal counsel advised you of the rights and responsibilities of all the parties involved. If so, I would like a copy of any such advice. If you were not so advised, I would now like the benefit of such advice from your legal counsel.

I would appreciate the pleasure of a prompt reply at your earliest convenience.

Sincerely yours,

JAMES E. MURRAY,
United States Senator.

THE AUSTRIAN TREATY

Mr. KNOWLAND. Mr. President, the Austrian Treaty has been the subject of considerable discussion. Over the wire service this morning has come a story datelined Vienna, and reading as follows:

VIENNA.—Soviet Russia demanded the Austrian State Treaty contain controversial "article 16" which would permit the Communists to retake some 36,000 iron curtain refugees in Austria.

The Russians want a clause in the treaty allowing Communist "interviewers" to visit Austrian refugee camps and arrange wholesale deportation of men, women, and children back to the Communist nations from which they fled.

The United States is dead set against the article and informed sources said it was likely to be one of the thorniest points of East-West dispute at the treaty conference which opened here yesterday with Big Four envoys and the Austrian foreign minister present.

The envoys, who announced in a communique they made "notable progress" at the first session, were reported to have approved 15 treaty articles at their first session including one providing for Austria's reestablishment as a "sovereign, independent, and democratic state."

The draft treaty, ending 10 years of occupation and restoring Austria's freedom for the first time since it was absorbed by Hitlerite Germany in 1938, has 59 articles. The controversial 16th article was to be discussed first at today's meeting, 9:30 a. m. EDT.

Inasmuch as a great deal of concern has been expressed in this country, and a number of Senators and Members of the House of Representatives are receiving mail from persons who are concerned lest people might be forced back

behind the Iron Curtain, I ask unanimous consent that article 16 of the proposed treaty be printed in the RECORD in full at this point as a part of my remarks.

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

SECTION V, ARTICLE 16, DISPLACED PERSONS

1. Austria undertakes within the period determined by the Allied Commission for Austria to take all necessary measures to complete the voluntary repatriation of displaced persons within its territory.

2. Austria undertakes to render full assistance to the Allied and Associated Powers concerned in regard to the voluntary repatriation of their nationals and will enter into direct bilateral negotiations for this purpose.

3. Austria further undertakes:

(a) to permit accredited representatives of any Allied or Associated Power whose nationals are in camps or assembly centers allotted to displaced persons now in Austria to visit freely such camps or centers for the purpose of conferring with its nationals;

(b) to prohibit such camps or centers any propaganda hostile to the interests of the Allied and Associated Powers and any activities designed to induce such displaced persons not to return to the countries of which they are nationals;

(c) to dissolve immediately any "committees," "centers," and other similar organizations existing in those camps and assembly centers that may be found to be engaged in activities opposed to the interests of the Allied and Associated Powers;

(d) to prohibit the recruiting of displaced persons into military or paramilitary organizations;

(e) to provide the means of transportation necessary for the transfer of repatriates to the frontier of their countries of origin nearest Austria.

4. Austria undertakes to grant to such displaced persons the same rights in all respects as those normally accorded to non-Austrians who have been legally admitted into Austria.

5. (No relief shall be given by Austria to persons who refuse to return to their native countries, if these persons fought on the side of the enemies of the Allied and Associated Powers, or voluntarily collaborated with the enemies of these powers, or are engaged in hostile activities against their countries of origin, as well as against any of the United Nations, or are members of organizations and groups which encourage displaced persons not to return to their countries of origin.)[1]

6. This article shall be applied without prejudice to the provisions of article 11 of the present treaty.

Mr. KNOWLAND. Mr. President, I raised this issue with the White House this morning, at the bipartisan conference. I have also asked for a full report from the Department of State.

[1] Proposal by Soviet delegation.

COMMITTEE MEETINGS DURING SESSIONS OF THE SENATE

Mr. KILGORE. Mr. President, because of the congestion in the work being handled by the Committee on the Judiciary, and because it is very difficult at times to get a quorum in committee, I ask unanimous consent that the Committee on the Judiciary be given leave to hold meetings during the sessions of the Senate, in order to catch up with the work of the committee, without the necessity of coming to the Senate each time to make the request for leave; also, that the Subcommittee on Immigration and Naturalization and the Subcommittee on Antitrust and Monopoly Legislation be permitted to hold meetings during the sessions of the Senate.

Mr. KNOWLAND. Mr. President, I would have no objection to the Senator asking for consent that his committee and subcommittees meet today during the session of the Senate. If the Senator will get in touch with the majority leader each time and have his request come to the Senate through the majority leader in the regular order, there will be no disposition on my part to object to his request. However, we do have an objection to a request covering a prolonged or extended period of time, such as for a week or for the remainder of the session. If the Senator will make his request for today only, I will not object.

Mr. KILGORE. My reason for making the request on behalf of the full committee is that frequently I must get in touch with members of the committee on the floor of the Senate and then hold a meeting with them in a side room in order to have some bills reported by the committee. Private bills and claim bills are piling up in the committee. We can get the work done in the subcommittees, but it is very difficult to get a quorum present in the full committee meetings.

Mr. JOHNSON of Texas. Mr. President, if the distinguished Senator from West Virginia will yield to me, I should like to say that I was not in the Chamber when he made his request. I will say to him that the procedure outlined by the minority leader is the procedure we attempted to follow last year at the insistence of the then minority leader, the senior Senator from Texas, except in the case of the Appropriations Committee, because it has always been the custom to give the Appropriations Committee such consent at the beginning of each session.

If the Senator from West Virginia will prepare a request on behalf of his committee and give it to the majority leader at the opening of the session on the day on which he would like to have his committee meet, the majority leader will be glad to present his request to the Senate. The majority leader presents such requests to the Senate immediately after the prayer. In that connection, I should like to say that we have had excellent cooperation from the other side in granting such requests.

The statement made by the present minority leader is in accordance with the position I took in the last Congress as minority leader. If the Senator from West Virginia will give me each day the information with respect to his committees and subcommittees, I am sure we can work out the details for him.

Mr. KILGORE. The only trouble with that is that at the present time it is difficult to get a quorum of the full committee, and I must practically gather a quorum on the floor of the Senate and get the Members off into a side room to hold a hearing, in order to report some bills. Therefore, it would be impossible to make a written request each time. That was the only reason I was asking that it be done in the way I suggested. Otherwise, I do not know how we can keep up with the work of the committee.

Mr. JOHNSON of Texas. What was the Senator's request today?

Mr. KILGORE. I request that the full Committee on the Judiciary be permitted to hold hearings in the afternoon during the sessions of the Senate, perhaps for 2 or 3 weeks, until the committee can catch up with its work.

Mr. JOHNSON of Texas. The Senator would have to make his request on a day-to-day basis, because the rules require that committees shall not meet during the sessions of the Senate except by unanimous consent of the Senate. It has been the custom not to give consent except on a day-to-day basis. I should like to do as much for the Senator's committee as for any other committee. For example, the Subcommittee on Internal Security is meeting now under a request made earlier today. That is a very important subcommittee, too. That subcommittee makes its request each time it desires to meet. The subcommittee of the Committee on Labor and Public Welfare which is considering minimum wage legislation also follows that practice. I shall be very glad to work out the problem with the Senator from West Virginia, and I am sure that we can arrive at a solution.

Mr. KILGORE. Very well.

Subsequently, on request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Antitrust and Monopoly Legislation of the Senate Judiciary Committee was authorized to meet during the session of the Senate today.

THE MERCHANT MARINE

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks, an editorial from the New York Journal-American, entitled "Propaganda," concerning efforts now under way in this country and abroad to discredit the Cargo-Preference Act passed by the Congress last year.

My attention was called to the editorial by Mr. Henry C. Parke, chairman of the national merchant marine committee of the American Legion National Security Commission. This Nation is fortunate in having two such good friends of American shipping as the Hearst newspapers and the American Legion.

Both have been doing yeoman work in spreading information concerning this vital phase of our economy to our people throughout the country for a number of years.

Helpful, likewise, toward more general understanding of merchant marine problems is an editorial published in the San Francisco Call-Bulletin, which suggests a more equitable formula for fixing Panama Canal tolls. I also ask unanimous consent that this editorial, entitled "Uncle Sam's Free Ride," together with the bulletin of the Pacific Coast Committee on Panama Canal, in which the editorial was reprinted, be inserted in the RECORD at this point.

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

[From the New York Journal-American of February 4, 1955]

PROPAGANDA

Since 1936 this country has paid subsidies to American shipping interests in order to have an American merchant marine to carry a fair portion of our maritime commerce and to serve as an auxiliary to the Armed Forces in time of war.

In World War I, we had to spend billions of dollars to build ships. Then the costly process had to be repeated in World War II because of our own negligence. Experience has plainly demonstrated that the ship-subsidy plan is both cheaper and safer.

Now, it appears, Great Britain has a scheme to divert American subsidies to the support of the British merchant marine, which competes with ours.

Under the foreign-aid program, Congress requires that part of the goods we give away be carried overseas in American vessels. Our Government, of course, pays the cargo charges as well as the cost of the goods. And lately the Government has been giving away $700 million worth of farm products as a means of reducing $7 billion worth of surpluses accumulated through the agricultural price-subsidy plan.

We read, however, in the London Sunday Despatch that the British Government "is refusing large quantities" of these free goods because "the United States has laid it down that half the goods must be moved in United States ships."

"The United States Government has been told," the report continues, "that unless the rule is altered, the United States economic-aid plan is in danger of breaking down."

Perhaps, in the circumstances indicated, the sensible course would be to let the aid plan break down, and save our money. We certainly cannot afford to let our merchant marine be broken down by subsidized foreign competition—much less, ourselves pay part of the foreign subsidy.

[From the San Francisco Call-Bulletin of March 4, 1955]

UNCLE SAM'S FREE RIDE

San Francisco supervisors now have added their voice to the plea of shipping interests here and up and down the coast for a more equitable formula for fixing Panama Canal tolls.

At their meeting this week, the board called upon Congress and President Eisenhower to take action toward a reduction in toll charges.

San Francisco has an interest in the question because, as a great seaport, we profit from intercoastal shipping, and a toll reduction would serve to stimulate such shipping.

At present, Uncle Sam is getting very much of a "free ride" insofar as the operation of the canal is concerned, at the expense of the cargo carriers.

Earlier this year, for example, the United States concluded a treaty with Panama under which the Department of Defense obtains the rent-free use of 20,000 acres of Panamanian land for military training purposes.

But to obtain this, the Government made several concessions to Panama the net effect of which will be to increase the costs of the Panama Canal Co. which are charged to tolls.

This means, in effect, that the cost of the military training program, to the extent that it is facilitated by the new pact, will be borne by the shipping interests which use the canal.

The steamship operators have no objection to bearing their fair share of Canal Zone Government costs. They'd be willing to shoulder half the burden.

But at the present time, they're carrying about 84 percent of the load, and much of the burden is due to the fact that the Canal Zone is a vital defense area.

They feel, and rightly so, that national defense costs should be borne by the Government, and not by the shipping operators who use the canal.

Legislation to equalize the burden of operating the Canal Zone was introduced in the last Congress but failed of passage.

As a result, American shipping through the canal is still carrying more than a fair share of the load. Uncle Sam is still getting that "free ride." And intercoastal shipping suffers as a consequence.

This Congress and the President should act to remedy the situation. San Francisco and other Pacific ports, and American shipping generally, would benefit by such action.

UNCLE SAM'S FREE RIDE

The editorial appearing as the first page of this bulletin points up the need for corrective legislation on the Panama Canal and stresses that present unfair burdens on commercial cargoes transiting the canal should be eliminated.

We appreciate receiving permission from the San Francisco Call-Bulletin to duplicate and distribute this timely message.

SPRING THAW BRINGS MORE REQUESTS FOR ACTION ON PANAMA CANAL PROBLEM

Steel, lumber, agriculture, General Motors, Ford, Sears, Roebuck, were all represented in a policy resolution passed on February 24, 1955, by the Traffic Managers Conference of Southern California.

Directors for the Traffic Conference who passed the strongly worded resolution include traffic managers from the above industries and firms who called for a material reduction in Panama Canal tolls. The traffic conference in a letter to congressional committee chairmen said, "Tolls are an important factor in the freight rates, despite the fact that they are levied against and paid by the ship using canal facilities."

Also included in the letter was a reference to the fact that the United States now owns 12 other federally built canals on which no tolls are charged and no interest is paid by users, indicating that this is one reason for calling on Congress to prevent continuation of unfair tolls on commercial cargoes transiting the Panama Canal.

ANOTHER LARGE SHIPPER GROUP URGES CONGRESSIONAL CORRECTION

Twelve hundred retail stores in the Mountain Pacific States, acting through the Western Traffic Conference, have passed a resolution urging, through proper legislation, recognition of the national defense value of the canal in cost allocations. The resolution also stressed the need for altering present financial and fiscal policies to prevent continuation of present inequitable, burdensome tolls on commercial cargoes transiting the canal.

Resolutions by these two organizations representing over 1,350 shippers emphasizes the vital need for congressional and administrative action on this problem.

CONGRESSIONAL RECORD CONTAINS REQUESTS FOR POSITIVE PROGRAM

Senator MAGNUSON, Democrat, Washington, stated in the CONGRESSIONAL RECORD of March 14, 1955, that many individuals and organizations had corresponded with him about the Panama Canal problem and that many had "writen me asking that Congress act to prevent the imposition of any undue tolls burden" on American shipping as a result of the recently completed treaty with Panama.

SERVICE CLUBS AND TAXPAYERS ASSOCIATION URGE ENACTMENT OF CORRECTIVE LEGISLATION

The Inter-Service Council of the Oakland-East Bay area, an organization representing service clubs in that area, recently passed a resolution asking for congressional action on the Panama Canal problem.

Another East Bay organization, the Grand Lake Taxpayers Association, has urged Congress to recognize the national defense value of the canal and the need for altering present financial and fiscal policies "to the end that a reduction in the tolls will result in fair taxation which will benefit us all."

OTHER GROUPS ADDED TO LIST OF ORGANIZATIONS URGING CORRECTIVE ACTION

Harbor Commission, Port of San Diego; Wilmington Chamber of Commerce; Marine Firemen's Union, A. F. of L., San Francisco; San Francisco Mayor's Committee on Shipping, Shipbuilding, and Ship Repair; Stockton Chamber of Commerce.

The above organizations represent the variety of business and persons interested in seeking a proper solution to the half-century of confusion which surrounds the Panama Canal.

THE PLACE OF THE SUPREME COURT IN OUR GOVERNMENT

Mr. RUSSELL. Mr. President, on April 28 the distinguished senior Senator from North Carolina [Mr. ERVIN] delivered a significant address at the annual dinner of the Harvard Law School Association of New York City, Inc., at the Harvard Club in New York City. In his remarks the Senator from North Carolina dealt courageously and forthrightly with a very grave problem which confronts the people of the United States. It is a problem that men have spoken of only in whispers, but it is one which the American people must face and solve if our great experiment in free government, which has brought so many blessings to our people, is to be a success and is to survive.

The address deals with the proper place of the Supreme Court in our scheme of government. It points out that the Court in recent days has departed from the path designed for it by the Founding Fathers. The address is of such importance that I ask unanimous consent that it may be printed in the body of the RECORD at this point in my remarks.

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

ALEXANDER HAMILTON'S PHANTOM

For reasons which will become obvious, I entitle my remarks to you Alexander Hamilton's Phantom.

I desire at the outset to absolve my host, the Harvard Law School Association of New York City, and my legal alma mater, Harvard Law School, from all complicity in my foolish endeavor to tell you the truth. Since they do not know what I am about to say, they cannot be accessories before the fact; and since they do not encourage me to say it, they cannot be aiders and abettors. I believe that the remoteness in point of time of my student days will remove any danger that the Harvard Law School will be convicted of participation in my folly on the theory of guilt by association. But if positive evidence of its innocence in the premises is necessary, Harvard Law School can call to the witness stand an old friend of mine, who once presented me to an audience with this statement: "Our speaker is a Harvard Law School man, but nobody would suspect it."

Some years ago, Jim's administrator was seeking to hold a railroad company civilly liable for Jim's death on circumstantial evidence. The administrator called to the stand

a witness who testified that he was walking along the railroad track just after the train passed and that he observed Jim's severed head lying on one side of the track and the remainder of Jim's remains on the other. The counsel for the administrator then put this question to the witness:

"What did you do after discovering these gruesome relics?"

The witness replied, "I said to myself, something serious must have happened to Jim."

Something serious has been happening to the law of the land and the supposed sovereignty of the States. I propose to talk to you briefly about it. In so doing, I am activated by motives somewhat akin to those which resulted in the conviction of Job Hicks in the superior court of Burke County, N. C., a half century ago on the charge of disturbing religious worship.

John Watts took a notion that he was called to preach. John was skilled in the science of a bricklayer, but was sadly deficient in the art of an exhorter. He was nevertheless expounding the gospel in a rural church one Sunday, when Job Hicks, who had partaken too freely of Burke County corn, happened to stagger by. Upon observing John in the pulpit, Job Hicks entered the church, dragged John to the door and threw him out upon the ground. When Job Hicks was called to the bar to be sentenced for his offense, Judge W. S. O'B. Robinson, the presiding judge, remarked to him in a stern tone of voice: "Mr. Hicks, when you were guilty of this unseemly conduct on the Sabbath day, you must have been so intoxicated as not to realize what you were doing."

Job made this response to His Honor: "Well, Judge, I had had several drinks. But I wouldn't want your Honor to think I was so drunk I could stand by and see the Word of the Lord being mummicked up like that without doing something about it."

My endeavor to tell the truth must begin with the American Constitutional Convention of 1787.

The men who composed the American Constitutional Convention of 1787 comprehended in full measure the everlasting political truth that no man or set of men can be safely trusted with governmental power of an unlimited nature. In consequence, they were determined, above all things, to establish a government of laws and not of men.

To prevent the exercise of arbitrary power by the Federal Government, they inserted in the Constitution of the United States the doctrine of the separation of governmental powers.

In so doing, they utilized the doctrine of the separation of powers in a twofold way. They delegated to the Federal Government the powers necessary to enable it to discharge its limited functions as a central government, and they left to each State the power to regulate its own internal affairs. It was this use of the doctrine of the separation of powers which prompted Chief Justice Salmon P. Chase to make these memorable remarks in his opinion in *Texas* v. *White*:

"Not only, therefore, can there be no loss of separate and independent autonomy to the States through their union under the Constitution, but it may be not unreasonably said that the preservation of the States, and the maintenance of their governments, are as much within the design and care of the Constitution as the preservation of the Union and the maintenance of the National Government. The Constitution, in all its provisions, looks to an indissoluble Union, composed of indestructible States."

In their other utilization of the doctrine of the separation of powers, the Members of the Convention of 1787 vested the power to make laws in the Congress, the power to execute laws in the President, and the power to interpret laws in the Supreme Court of the United States and such inferior courts as the Congress might establish. Moreover, they declared, in essence, that the legislative, the executive, and the judicial powers of the Federal Government should forever remain separate and distinct from each other.

The Members of the Convention of 1787 did not put their sole reliance upon the doctrine of the separation of governmental power in their effort to forestall the exercise of arbitrary power by the Federal Government. They balanced the President's power to veto the acts of Congress against the power of Congress to legislate, and they balanced the power of Congress over the purse against the President's power as Commander in Chief of the Army and Navy. They made the Supreme Court of the United States independent of the President and the Congress by giving its judges life tenure during good behavior and by providing that their compensation should not be diminished during their continuance in office. They failed, however, to place in the Constitution any provisions to restrain any abuse of its judicial power by the Supreme Court of the United States.

This significant omission was not overlooked at the time. Elbridge Gerry, a delegate from Massachusetts, asserted:

"There are no well defined limits of the judiciary powers, they seem to be left as a boundless ocean, that has broken over the chart of the Supreme Lawgiver, thus far shalt thou go and no further, and as they cannot be comprehended by the clearest capacity, or the most sagacious mind, it would be an herculean labour to attempt to describe the dangers with which they are replete."

George Mason, a delegate from Virginia, made this more specific objection:

"The judiciary of the United States is so constructed and extended as to absorb and destroy the judiciaries of the several States."

Others declared, in substance, that under the Constitution the decisions of the Supreme Court of the United States would "not be in any manner subject to * * * revision or correction"; that "the power of construing the laws" would enable the Supreme Court of the United States "to mould them into whatever shape it" should "think proper"; that the Supreme Court of the United States could "substitute" its "own pleasure" for the law of the land; and that the "errors and usurpations of the Supreme Court of the United States" would "be uncontrollable and remediless."

Alexander Hamilton rejected these arguments with this emphatic assertion: "The supposed danger of judiciary encroachments * * * is, in reality, a phantom." He declared, in essence, that this assertion was true because men selected to sit on the Supreme Court of the United States would "be chosen with a view to those qualifications which fit men for the stations of judges", and that they would give "that inflexible and uniform adherence" to legal rules "which we perceive to be indispensable in the courts of justice."

In elaborating this thesis, Alexander Hamilton said: "It has been frequently remarked with great propriety, that a voluminous code of laws is one of the inconveniences necessarily connected with the advantages of a free government. To avoid an arbitrary discretion in the courts, it is indispensable that they should be bound down by strict rules and precedents, which serve to define and point out their duty in every particular case that comes before them; and it will readily be conceived, from the variety of controversies which grow out of the folly and wickedness of mankind, that the records of those precedents must unavoidably swell to a very considerable bulk, and must demand long and laborious study to acquire a competent knowledge of them. Hence, it is that there can be but few men in * * * society, who will have sufficient skill in the laws to qualify them for the station of judges."

By these remarks, Hamilton assured the several States that men selected to sit upon the Supreme Court of the United States would be able and willing to subject themselves to the restraint inherent in the judicial process. Experience makes this proposition indisputable: Although one may possess a brilliant intellect and be actuated by lofty motives, he is not qualified for the station of a judge in a government of laws unless he is able and willing to subject himself to the restraint inherent in the judicial process.

What is the restraint inherent in the judicial process? The answer to this query appears in the statements of Hamilton. The restraint inherent in the judicial process is the mental discipline which prompts a qualified occupant of a judicial office to lay aside his personal notion of what the law ought to be, and to base his decision on established legal precedents and rules.

How is this mental discipline acquired? The answer to this question likewise appears in the statements of Hamilton. This mental discipline is ordinarily the product of long and laborious legal work as a practicing lawyer, or long and laborious judicial work as a judge of an appellate court or a trial court of general jurisdiction. It is sometimes the product of long and laborious work as a teacher of law. It cannot be acquired by the occupancy of an executive or legislative office. And, unhappily, it can hardly be acquired by those who come or return to the law in late life after spending most of their mature years in other fields of endeavor.

The reasons why the mental discipline required to qualify one for a judicial office is ordinarily the product of long and laborious work as a practicing lawyer, or as an appellate judge, or as a judge of a court of general jurisdiction are rather obvious. Practicing lawyers and judges of courts of general jurisdiction perform their functions in the workaday world where men and women live, move and have their being. To them, law is destitute of social value unless it has sufficient stability to afford reliable rules to govern the conduct of people, and unless it can be found with reasonable certainty in established legal precedents. An additional consideration implants respect for established legal precedents in the minds of judges in courts of general jurisdiction and all appellate judges other than those who sit upon the Supreme Court of the United States. These judges are accustomed to have their decisions reviewed by higher courts and are certain to be reminded by reversals that they are subject to what Chief Justice Bleckly of the supreme court of Georgia called "the fallibility which is inherent in all courts except those of last resort," if they attempt to substitute their personal notions of what they think the law ought to be for the law as it is laid down in established legal precedents.

The States accepted as valid Alexander Hamilton's positive assurance that men chosen to serve on the Supreme Court of the United States would subject themselves to the restraint inherent in the judicial process, and were thereby induced to ratify the Constitution notwithstanding the omission from that instrument of any express provision protecting the other branches of the Federal Government, the States, or the people against the arbitrary exercise of its judicial power by the Supreme Court.

For several generations next succeeding its utterance, the people of America had no reason to doubt the accuracy of Alexander Hamilton's assurance. With rare exceptions, the Presidents selected for membership upon the Supreme Court of the United States men who had long and laboriously participated in the administration of justice either as practicing lawyers or as judges of State courts or

as judges of the Federal courts inferior to the Supreme Court. As a consequence, the overwhelming majority of the men called to service upon the Supreme Court were able and willing to subject themselves to the restraint inherent in the judicial process and to perform their tasks in the light of the principle that it is the duty of the judge to interpret the law, not to make it.

I was taught in my youth to repose an absolute confidence in the Supreme Court by my father, an active practitioner of law in North Carolina for 65 years, who was accustomed to refer to the Supreme Court with reverential awe. He used to say that this tribunal would administer justice according to law even though the heavens fell.

I regret to say, however, that the course of the Supreme Court of the United States in recent years has been such as to cause me to ponder the question whether fidelity to fact ought not to compel us to remove from the portal of the building which houses it the majestic words, "Equal Justice Under Law," and to substitute for them the superscription, "Not justice under law, but justice according to the personal notions of the temporary occupants of this building." In making this statement, I reveal my acceptance of this observation made by the late Justice Robert H. Jackson in *Brown* v. *Allen:* "But I know of no way that we can have equal justice under the law except we have some law."

Candor compels the confession that on many occasions during recent years the Supreme Court has to all intents and purposes usurped the power of the Congress and the States to amend the Constitution. This abuse of power was made manifest even before the decision in *Brown* v. *Board of Education*, which repudiates solely upon the basis of psychology and sociology the interpretation placed upon the 14th amendment in respect to racial segregation by Federal and State courts, the Congress itself, and the executive branches of the Federal and State Governments throughout the preceding 86 years. Time does not permit me to cite all the cases supporting my present contention. I mention only one, namely, *Williams* v. *North Carolina*, where the majority of the Court altered the meaning of the full faith and credit clause of the Constitution by overruling the holding of *Haddock* v. *Haddock* to the effect that a State court, even of the plaintiff's domicile could not render a judgment of divorce that would be entitled to Federal enforcement in other States against a nonresident who did not appear and was not personally served with process. In so doing, the majority of the Court held, as the late Justice Jackson asserted in his dissenting opinion, that "settled family relationships may be destroyed by a procedure that we would not recognize if the suit were one to collect a grocery bill."

Recent decisions make it manifest that the Supreme Court has usurped the power to nullify acts of Congress. Perhaps the most glaring of these decisions is *Girouard* v. *United States*, where the Court overruled three previous decisions and a subsequent confirming act of Congress simply because a majority of its members did not believe that Congress had exercised its legislative power wisely in denying the privilege of citizenship to aliens who were unwilling to bear arms in defense of this country. To be sure, the majority of the Court did not say that it thought that Congress had legislated unwisely. But a statement to this effect would have been a far better reason for its decision than any of those it gave.

In addition to its revolutionary decisions on constitutional and statutory subjects, the Supreme Court of the United States has substantially impaired the doctrine of stare decisis and the stability of the law of the land which this doctrine formerly insured by overruling, repudiating, or ignoring its established precedents of earlier years. Former Justice Owen J. Roberts, a recent member of the Court, made this comment in this connection in his dissenting opinion in *Smith* v. *Allwright*: "The reason for my concern is that the instant decision, overruling that announced about 9 years ago, tends to bring adjudications of this tribunal into the same class as a restricted railroad ticket, good for this day and train only."

It must be added, moreover, that the Supreme Court has handed down numerous decisions which place limitations on the powers of the several States wholly inconsistent with the constitutional principle that the States of the Union are indestructible. This is particularly true in the field of criminal law. By their virtual abolition of the doctrine of res adjudicata, these decisions make it extremely difficult for the States to enforce their own criminal laws against their own citizens in their own courts.

To satisfy these decisions, the States have been compelled to enact statutes providing for post-conviction hearings which, in plain English, permit the accused to try the State court after the State court has tried the accused.

Other decisions of the Supreme Court sanction a practice by which the lowest court in the Federal judicial system, to wit, the United States district court can set at naught the decisions of the highest court of a State. This practice seems particularly ironic and indefensible in the light of Alexander Hamilton's explanation as to why the Supreme Court was invested with original jurisdiction in cases "in which a State shall be a party." His explanation was as follows: "In cases in which a State might happen to be a party, it would ill suit its dignity to be turned over to an inferior tribunal."

In protesting against this practice, I am not a lone voice crying in a legal wilderness. I hold in my hand a clipping taken from the New York Times for August 14, 1954, disclosing the fact that on the previous day the Chief Justices of the 48 States of the Union had unanimously proposed that the Congress should amend Federal procedural laws so as to curtail the power of lower Federal courts to interfere with the administration of criminal justice in State courts.

The question naturally arises: Why does the Supreme Court of the United States prefer to make constitutions and laws rather than to interpret them?

The answer to this question appears in the assurance which Alexander Hamilton gave to the States when he was urging them to ratify the Constitution. It is simply this: The majority of the members of the Supreme Court during recent years have been either unable or unwilling to subject themselves to the restraint inherent in the judicial process.

When all is said, it is not surprising that this is so. The custom of past generations of appointing to membership upon the Supreme Court men who have worked long and laboriously in the administration of justice either as practicing lawyers or as State judges, or as judges of Federal courts inferior to the Supreme Court, has been more honored of late in its breach than in its observance.

All of the members of the Supreme Court are genial gentlemen of high attainments and significant accomplishments. But the majority of them have not worked either long or laboriously as practicing lawyers, or as State judges or as judges of the Federal courts inferior to the Supreme Court. As a consequence, the majority of them have not undergone the mental discipline which enables a qualified occupant of a judicial office to lay aside his personal notions of what the law ought to be and to base his decisions on what the law has been declared to be in legal precedents.

The writer of the Book of Proverbs said:

"There be three things which are too wonderful for me, yea, four which I know not: The way of an eagle in the air; the way of a serpent upon a rock; the way of a ship in the midst of the sea; and the way of a man with a maid."

Experience is undoubtedly the most efficient teacher of all things. This being true, there is one thing more amazing and more incomprehensible than the four mysteries enumerated by the writer of the Book of Proverbs. It is this: Why do Presidents of the United States ignore the numerous servants of the law who have performed years of devoted judicial service on State courts and on Federal courts inferior to the Supreme Court when they are called upon to make appointments to the Supreme Court of the United States?

These facts are astounding:

1. No member of the Supreme Court as it is now constituted, ever served as a judge of a court of general jurisdiction, either State or Federal.

2. No member of the Supreme Court as it is now constituted, ever served as a judge upon an appellate court in any 1 of the 48 States; and

3. Only 2 of the 9 members of the Supreme Court as it is now constituted, ever served as an appellate judge on any Federal Court inferior to the Supreme Court before he was elevated to his present office. Moreover, few of them have devoted their major efforts to the actual practice of law.

It is high time for the bench and the bar and the people of America to ponder the question whether the Constitution of the United States ought to be amended so as to make it certain that in the future men will be selected for service upon the Supreme Court because of their possession of what Alexander Hamilton called those qualifications which fit men for the station of judges, and because of their ability and willingness to subject themselves to the restraint inherent in the judicial process.

It may be that in making these observations, I am merely enacting the role of a fool who rushes in where discreet angels fear to tread. If so, I can plead in extenuation of my folly that I love the American Constitution and know that an indissoluble Union composed of indestructible States cannot endure if our government of laws does not survive.

PROPOSED ANTITRUST ACTION AGAINST AMERICAN ASSOCIATION OF ADVERTISING AGENCIES AND CERTAIN ADVERTISING MEDIA ASSOCIATIONS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a statement which was made by Judge Stanley N. Barnes, Assistant Attorney General and head of the Antitrust Division of the Department of Justice, before the Anti-Monopoly Subcommittee of the Committee on the Judiciary this morning. In this statement Judge Barnes made an explanation of why he refused the request of the American Association of Advertising Agencies, known as the 4 A's and certain newspaper and magazine associations, their request being not to have a consent decree written in a case in which he felt that a violation of the antitrust laws had been committed by those organizations. The Assistant Attorney General said that, in his opinion, this group of advertising agencies had set up a sort of private government in advertising by which they excluded competition from the field. It is one of the most interesting and one of the most important statements in the field of anti-

trust legislation that has been made in many a day.

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

STATEMENT BY STANLEY N. BARNES, ASSISTANT ATTORNEY GENERAL IN CHARGE OF THE ANTITRUST DIVISION, DEPARTMENT OF JUSTICE, REGARDING PROPOSED ANTITRUST COMPLAINT AGAINST AMERICAN ASSOCIATION OF ADVERTISING AGENCIES AND CERTAIN ADVERTISING MEDIA ASSOCIATIONS

Many of you perhaps have read in the recent press about the Government's proposed antitrust suit against the American Association of Advertising Agencies, known as the 4 A's, and various newspaper and magazine associations. Public statements by counsel for the 4 A's as well as the American Newspaper Publishers Association have challenged our proposed complaint, while admitting its principal allegations, and have urged their clients to shun consent settlements and proceed to trial.

As a law enforcement officer, I do not propose to try any cause, pending or proposed, in the public press. Our prized tradition of unbiased trial bars any prosecutor from unseemly comment on such proceedings. However, public responsibility here requires some explanation of those violations the Government charges, and those procedures chosen to strike down the actions alleged to be illegal.

The story begins with a letter to me, dated 10 days after I took office on May 1, 1953. This letter of complaint came from an advertising agent claiming he had been injured by acts of the proposed defendants. He charged that he had previously been given the "run around" by the Department of Justice. My investigation first disclosed that a proposed grand jury investigation into this subject, recommended by a field office in 1951, had been denied by Washington.

After some 3 months of careful consideration, in September 1953, I ordered reopening of the preliminary investigation closed in 1951. As a first step, we searched the records of four associations of newspaper and magazine publishers, as well as the 4 A's. This survey soon revealed the existence, as our complaint in substance alleges, of a veritable private government known as "the recognition system." This system fixed conditions for newcomers' entry into the advertising agency business; fixed rates which those ad agencies already in business might charge; and fixed a sanctuary from competition for ad agencies by in effect barring advertisers from dealing directly with newspapers and magazines. As a result, the Government feels two classes of businessmen were injured—ad agencies whose entry into the business was impeded, and advertisers who were prevented from cutting sales costs, if they so desired, by placing advertising directly with newspapers or magazines. As a result, national advertisers were compelled to pay media the full ad rate, including payment for advertising agency services they did not want, and never received.

In 1930, the FTC dismissed a complaint involving many of the same issues. No opinion of any kind accompanied this dismissal. I am informed that the sole ground for this dismissal was the legal conclusion that there was want of interstate commerce.

That dismissal some 25 years ago, however, was under the narrower interstate commerce definition embodied in the Federal Trade Commission Act * * * not the broader standards of the Sherman Act, under which we now proceed. Furthermore, subsequent to 1930, the Supreme Court has squarely held that under the Sherman Act, local "distribution * * * of * * * advertisements transmitted * * * in interstate commerce * * * is an inseparable part of the flow of * * * interstate commerce" (*Lorain Journal* v. *U. S.* (342 U. S. 143, 152)).

Thus defendants' recognition system, it seems clear, rests on the traditional hard-core antitrust violations of price fixing of ad agencies' commissions, and group boycott of nonrecognized agencies. These practices the Supreme Court has repeatedly declared illegal per se. As the recent report of the Attorney General's National Committee To Study the Antitrust Laws put it, "Certain forms of conduct, such as agreements among competitors to fix market prices—[or group boycotts] are 'conclusively presumed to be illegal by reason of their nature or their necessary effect' so that they can quickly and positively be adjudged violations of the Sherman Act."

Faced with this situation, I ordered a complaint prepared. That complaint charges, first, that 4 A's and the 5 defendant media associations conspired with each other. Second, it charges a separate conspiracy between each association and its members.

At the heart of the offenses alleged is the recognition system. Under this system, newspaper and magazine associations recognize those advertising agencies which are entitled to receive agency commissions and credit. Failure by an ad agency to secure recognition from any one of the defendant media associations constitutes a severe competitive handicap. First, a nonrecognized agency is denied advertising commissions and credit. Second, perhaps equally important, its nonrecognized status is proclaimed among national advertisers and media. This imputes to the nonrecognized agency an aura of financial instability and business incompetence.

Standards for agency recognition adopted by each of the defendant media associations, our complaint alleges, are practically identical. Briefly, these standards require that an ad agency seeking recognition must represent and assure in writing, among other things, that (a) it functions as an independent contractor, not a house agency controlled by or affiliated with an advertiser, or an owner of a printing or engraving establishment, and (b) that it retains all agency commissions and does not discount to its clients any part thereof.

Agency commissions, it should be said, are paid by media in the form of a discount allowed to ad agencies on gross rates. All defendant media associations, our complaint charges, have agreed to standardize their 15-percent commission for advertising agents. The only way, therefore, that an advertising agency could cut rates to an advertiser is through a rebate. Thus media associations' requirements barring rebates result in price fixing.

In addition, all defendant media associations, the Government charges, insisted that each "recognized" ad agency agree to abide by the 4 A's standard conditions governing advertising contracts and orders and to use the 4 A's standard contract and order forms. The essentials of the media associations' standards for agency recognition were proposed by the 4 A's. A's aim, our complaint charges, was to free ad agencies as a class first, from price competition among themselves and, second, from competition in advertising services from national advertisers who wished to deal directly with the media.

Further pursuing its plan, our complaint alleges, the 4 A's and its members agreed to retain their full commission and not rebate any part to advertisers. Beyond that, they agreed to fix and maintain agency commissions at 15 percent and to refrain from competing with each other for new business by submitting speculative material.

After the complaint was drafted and approved by the Attorney General, the Department notified the ANPA and the 4 A's that the Government contemplated suit against them and others. This was done in accordance with our usual procedures, after a specific request made by these two associations during the investigation that we so notify them of our intentions. In response, several officials of ANPA sought, and had, a meeting with us. Further, I explained that while settlement could be fairly negotiated, the ANPA, like any other potential defendant, must consent to have its settlement embodied in a consent order. For my belief is that all groups—no matter what their power—must be treated alike. The ANPA officials requested several days to consider the matter and advised us we would have their answer.

The next I heard from counsel for this proposed defendant was via the public press. There statements by counsel for ANPA as well as the 4 A's proclaimed each association was free from any taint of violation and attacked the Government's proposed complaint. In addition, counsel for ANPA sought to distort our efforts to curb the ANPA's stifling of competition as an effort to control the operation of the press. Suffice it to say, in the language of the Supreme Court in the Associated Press case: "Surely a command that the Government itself shall not impede the free flow of ideas does not afford nongovernmental combinations a refuge if they impose restraints upon that constitutionally guaranteed freedom. Freedom to publish means freedom for all and not for some * * *. Freedom of the press from governmental interference under the first amendment does not sanction repression of that freedom by private interests" (326 U. S. 1, 20 (1944)).

These statements by counsel, it seems clear to me, make prefiling negotiation impossible. Soon after he took office, you may recall, the Attorney General announced the Antitrust Division would, in certain civil antitrust cases, offer businessmen a chance to negotiate a settlement before we file suit. Such prefiling procedures aimed to ease consent negotiation by enabling settlement before the position of either party had been frozen by public announcement. This aim, of course, counsels' public statements have defeated.

Consequently, I expect to file our complaint in the United States Court for the Southern District of New York, within the next several days. In light of public statements by counsel for some of the defendants, I feel sure defendants will share our desire for prompt decision of the issues soon to be at bar. For this reason, I trust they will answer promptly and thus put the matter at issue. As soon as this is done, I shall be glad to cooperate in any endeavor to speedily bring the matter to trial at the earliest possible moment.

EXTENSION OF TRADE AGREEMENTS ACT

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). If there is no further morning business to be transacted, the Chair lays before the Senate the unfinished business, which is H. R. 1.

The Senate resumed the consideration of the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

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

The PRESIDING OFFICER (Mr. BARKLEY 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 CASE OF MRS. LUCILLE AFFOLTER, FORMERLY MISS LUCILLE MILLER

Mr. WILLIAMS. Mr. President, during the investigation of the office of the Bureau of Internal Revenue in Pittsburgh, Pa., the identity of one of the employees with whom I had been in contact was discovered.

The employee to whom I refer is Mrs. Lucille Affolter—formerly Miss Lucille Miller. She had been working with the Bureau of Internal Revenue at Pittsburgh for a period of nearly 15 years, having entered the service on February 2, 1938. The latter 10 years of this period she had been the receptionist in the office of the Director.

Notwithstanding this long service record, within 8 days after my interviewing her on June 17, 1953, Mrs. Affolter's identity had been discovered by the Department and she had been given her separation notice. She was only reinstated following my vigorous protests, and continued to work until January 1954, at which time she voluntarily resigned, having married during this interval. Her case would have ended with her retirement had I not discovered that her civil-service file had been flagged by the Bureau in such a manner as to prevent her future reemployment by the Government. I am convinced that this blemish on her record resulted solely from her cooperation with me during that investigation, and therefore, I would be most negligent in my responsibilities if I did not clear her record. It is now Mrs. Affolter's belief that she will not desire reemployment by the Government, but should circumstances develop whereby she would want reemployment, I do not intend that her cooperation with me should prove a handicap.

This question has been taken up with the Bureau officials, but they have refused to reconsider their decision to flag her files; therefore, my only alternative is to point out publicly why this action was wholly unjustified and in my opinion indefensible. I review her case.

Beginning in 1952 and extending through early 1953 I received numerous reports charging gross irregularities on the part of employees and former employees in the Pittsburgh office of the Bureau of Internal Revenue. These charges were developed and referred to both the Treasury Department and the Department of Justice along with the confession of one of the participants involved.

During the past 2½ years there have been several indictments and convictions and several employees removed, and the investigation is still going on.

I review these results to demonstrate that there was a serious condition existing in the Pittsburgh area and one which demanded attention.

I do not wish to infer that all these results were obtained from information furnished by Mrs. Affolter or from information furnished to the Departments through my office. However, I believe that both the Departments of Justice and Treasury will confirm that it was information they received through my office which broke the case.

In the early development of this case a question arose as to the accuracy of the statements of two certain individuals who were denying acquaintanceship. I was informed that the receptionist, Miss Lucille Miller, had in her possession a diary of her office work carrying personal notations of visitors to the office along with information as to whom they saw.

Through correspondence and telephone conversations I verified the fact that she did have such records and suggested that I come to Pittsburgh to examine them. Miss Miller was very much concerned lest any cooperation she might give would, if discovered, cause her trouble. To reassure her I promised that I would withhold her name but that should it be discovered I would most certainly defend her.

The reason I did not refer this question through the Bureau of Internal Revenue and allow their agents to check the report was that the allegations involved certain officials in the Pittsburgh office who, by virtue of their positions, might be able to censor the report. Also, thus far I had been unsuccessful in convincing either the Treasury Department or a congressional committee that conditions in that office were other than normal.

On June 17, 1953, I went to Pittsburgh and met Miss Miller, at which time I examined these diaries. My secretary took notations from these books, but when I recognized that they contained more information than first indicated, I persuaded Miss Miller to allow me to bring the books back to Washington.

At this point it should be made perfectly clear that these books or diaries contained no information which made it a violation of any law for Miss Miller to give them to me. To support that statement both these books are here on my desk today available to any Member of the United States Senate for his examination.

Within a few days after my visit Miss Miller was questioned by intelligence agents, and during that questioning admitted our conference. She told them that she had turned these two appointment books, or diaries, over to me, and when they expressed interest in examining them she suggested that they could be seen at my office in Washington.

My conference with Miss Miller was on June 17, 1953; the questioning referred to above was a couple of days later; and on June 25, exactly 8 days after our conference, Miss Miller received her dismissal notice. The charges were:

First. That she had violated paragraps 65 of Rules of Conduct and Other Instructions for Employees of the Internal Revenue Service. I quote that regulation:

> Title, Responsiveness to Proper Authority: Employees are expected to respond readily to the direction of their supervisors and to cooperate fully with all other properly constituted authority in the Internal Revenue Service. This includes compliance with directives as well as cooperation with investigating or examining officers of the Service.

Second. That she had made accusations against her superior officer reflecting upon his official integrity.

As to the latter charge of submitting allegations to the Bureau questioning the integrity of an officer of that agency, I point out that if this were a crime I would have been removed from the Senate long ago.

With the notice of June 25 she was given 5 days to show cause why she should not be removed from the Service or otherwise disciplined.

Miss Miller immediately advised my office of her difficulty, and I told her to file an appeal. I then called Commissioner T. Coleman Andrews and arranged a conference.

This conference was held on July 1, 1953, in the Capitol Building. As observers at this meeting with Commissioner Andrews were two other Members of the United States Senate.

During the discussion it was obvious that the principal charge against Miss Miller was that she had given these books to me rather than having turned them over to the Bureau inspectors.

It also developed that during the cross-questioning of Miss Miller by the intelligence agents she admitted having written certain letters to the Bureau in Washington complaining of conditions in the Pittsburgh office; but that when confronted with the demand by the intelligence agents either to prove or to retract the charges, she took the easier course and retracted them.

During the past 3 years I have on several occasions submitted allegations to the Bureau for their further examination, knowing at the time that I could not actually prove the charges. That is why I sent them down with the request that they be further investigated.

If these employees or myself are going to be called upon to prove every allegation referred to the Bureau, then why have an intelligence unit.

But that is not the reason Miss Miller was given her separation notice. There was no doubt in my mind at the time, nor is there any doubt today, that Miss Miller was suspended for one reason only, and that was for cooperating with me.

The Bureau complained that Miss Miller had throughout the questioning been a reluctant witness. She was also reluctant when I talked with her, but that is understandable. The girl was scared. She knew that some of her superiors were involved in the investigation.

If a Government agency is going to demand that every employee who forwards information regarding questionable conduct of officials in their department stand ready to prove such charges or be disciplined they will never get any information of wrongdoings, nor will they be able to clean up the corruption. Every employee has a responsibility to submit to his superiors any information or even rumors regarding corrupt practices on the part of his superiors, but at the same time he has a right to expect protection and not reprisals.

In the conference of July 1, 1953, all this was pointed out to Commissioner Andrews, and the dismissal notice of

Miss Miller was rescinded. But apparently her case did not stop there.

It now develops that during the succeeding months a series of investigations centering around the work of Miss Miller was quietly conducted, but since she was retained on the job the charges against her, so far as I knew, had been dropped.

Having married during the interval, Mrs. Affolter on January 27, 1954, resigned. She advised me at that time that her resignation was of her own accord and expressed her appreciation for having been protected during the latter days of her employment.

It was not until March 19, 1954, that I again heard from Mrs. Affolter, when she called and said that she was again in difficulty with the Department. She explained that after her marriage she and her husband had purchased a home, and in order to assist in the payment she had at the time of her resignation requested a refund of her retirement credits. Now, with the settlement date approaching, she had just been advised that her retirement credits were being held up by the Department on the basis that she had "resigned while under investigation."

Mrs. Affolter said that she had not known there was any investigation under way at the time of her resignation, and she requested my assistance in finding out what the trouble was.

I immediately wired the Director of Internal Revenue in Pittsburgh, asking whether Miss Miller had resigned while under investigation, and if so, the charges, or if her resignation had been purely voluntary, as she claimed. I received a reply from the Director stating that her resignation was voluntary. I ask unanimous consent to have incorporated in the RECORD at this point both these telegrams.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Is there objection? The Chair hears none, and it is so ordered.

The telegrams are as follows:

MARCH 22, 1954.

Mr. A. J. DUDLEY,
District Director, Bureau of Internal Revenue, Pittsburgh, Pa.:

Has Lucille M. Affolter been separated from your office? If so, was separation purely voluntary or for cause? If latter reason, explain.

JOHN J. WILLIAMS,
United States Senator.

PITTSBURGH, PA., *March 23, 1954.*

JOHN J. WILLIAMS,
United States Senator:

Re your telegram of March 22, 1954, Lucille M. Affolter voluntarily resigned on January 27, 1954.

A. J. DUDLEY,
District Director, Internal Revenue.

Mr. WILLIAMS. Mr. President, I then contacted the Treasury Department, read to them the telegrams, and asked for their explanation. They said there was no suggestion of any fraud on the part of Miss Miller to justify such withholding of her retirement credits, and that it was an error that such action had been taken. Accordingly, they promised that this error would be promptly corrected and her check immediately forwarded. This was done. Her check was mailed.

However, in getting this straightened out I discovered that a question mark raising doubts as to her eligibility for reemployment was being noted on her record.

So far as Mrs. Affolter was concerned, the case was closed, since in her opinion she did not think she would be seeking reemployment. However, I was not satisfied to allow the case to remain in this condition, since I knew that if, as a result of unexpected circumstances, Mrs. Affolter should again seek Federal employment this question on her record could prove a handicap. I therefore advised her accordingly and suggested that I proceed to clear the record. I felt morally bound to see that this was done, since I was convinced that all of her difficulties had developed as a result of having been identified as cooperating with me.

During the intervening months I have been working toward that end; however, the Bureau of Internal Revenue in a recent letter has flatly refused to reverse their action and insists upon keeping the civil-service record of Mrs. Affolter flagged in such a manner that it would practically prohibit her from ever being reemployed in any agency of the United States Government.

They unhesitatingly admit that a part of the charges against Mrs. Affolter is a result of her willingness to cooperate with my office, although they claim that this was not the determining factor.

Mrs. Affolter—or Miss Miller—was employed as a receptionist in the office of the director at Pittsburgh, and in that capacity she could not possibly have been in a position to have had any connection whatever with the improper handling of tax cases, nor is there even any suggestion of this by the Department.

I have discussed her case and all the charges involved with the Bureau officials, and they have at no point presented me with any evidence or any suggestion that she was a party to any of the fraudulent activities in that office.

For a period of approximately 16 years Mrs. Affolter had been working with the Bureau of Internal Revenue in Pittsburgh, Pa., and for approximately 10 years of this time she served as the receptionist in the office of the director. Her record was clear until after she had been identified as an employee with whom I had talked. Within 8 days after the Bureau discovered that I had interviewed this girl, she was fired.

I am thoroughly convinced that her difficulty arises solely as a result of her willingness to cooperate with me and a resentment on the part of certain officials that I kept insisting on a full disclosure of the activities in the Pittsburgh area.

I never met Mrs. Affolter until the June 17, 1953, meeting, but I was greatly impressed with her sincerity and her loyalty to the Bureau. While apparently anxious to do the right thing, she was greatly concerned over the propriety of giving me possession of the two diaries or appointment books, and I take the sole responsibility for having persuaded her to allow me to bring them back to Washington.

I repeat: There is nothing in these books regarding any individual's tax returns or tax liabilities. They deal solely with a record of appointments plus some notations of a personal nature. They are here on my desk today and can be inspected by any Member of the Senate interested in their contents.

Furthermore, with Mrs. Affolter's full consent, these books have been made available to the Treasury Department.

I certainly do not want to leave the impression that all the information I obtained in the Pittsburgh area was from Mrs. Affolter, or Miss Miller, as her name was then. However, the information which I received from her did furnish a missing link. Likewise, I cannot overlook the fact that all the information which I have ever developed, either in regard to the Pittsburgh area or in regard to any other area, has been obtained from the "Miss Millers"—those honest and loyal employees of the Government who, when the chips were down, gambled the security of their jobs in an effort to cooperate in exposing corrupt practices in their departments.

To my knowledge this is the only instance, during the past several years in which I have worked in this field, that anyone with whom I have worked has been identified, and I would be most negligent in my responsibilities and unworthy of the cooperation I have received from these persons if I did not see that the civil service record of this girl is cleared. I do not know that she will ever desire reemployment with the Government; however, if she should, I am determined that her having cooperated with me will not destroy that opportunity.

Had the Bureau of Internal Revenue demonstrated but a small degree of diligence in investigating the charges against the corrupt officials in the Pittsburgh area that they did in investigating Mrs. Affolter after it was established that I had interviewed her, the conditions in that Department would have been cleared up months sooner.

I do not question that having gone over her record with a finetoothed comb they may have found that she violated some technical rule, and I should say that the same thing would be true in regard to most other employees. But the record stands that her slate was clear until after my visit to Pittsburgh. Eight days later she was fired and since that time has been subjected to one of the most extensive investigations possible.

I have read all the charges against Mrs. Affolter. I have discussed time and time again with the Treasury Department the complete story surrounding her case, and I most emphatically state that there is nothing in any of the information which they have given to me which would justify such action on their part. There is nothing in her record which has been shown to me which would raise any question as to her eligibility for future reemployment. Without any hesitation, I make the statement here today that, having met Mrs. Affolter, having been greatly impressed with her sincerity and loyalty to her job, and having examined

in detail her complete service record, I would recommend her most highly for employment by any agency of the Government. I only wish we had more Federal employees of her caliber.

I am authorizing Mrs. Affolter to use my name as a reference should circumstances ever develop whereby she would apply for reemployment in the Government or in private industry.

Also, a copy of my remarks here today is being forwarded both to the Civil Service Commission and to the Treasury Department, with the request that they be made a part of her permanent files.

It will be noted that in this report I have referred to Mrs. Affolter on occasion as Miss Miller. This has been done, since I first interviewed the girl prior to her marriage, and the Department records will therefore refer to her on those dates as Miss Miller.

I am sorry this difference of opinion as to the official action taken in this case has developed between the Bureau of Internal Revenue and myself, but I am convinced that in their decision on this case they are wrong.

With corruption existing at the very top level of the Department itself, employees who had suspicion of such wrongdoing had no alternative other than to seek outside assistance. Furthermore, they had a legal right to bring such information to Members of Congress, and we in Congress had a right and a responsibility to expose the corrupt conditions. I quote:

United States Code, title 5, section 652: "(d) Right to petition Congress: The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress, or any Member thereof, or to furnish information to either House of Congress, or to any committee or member thereof, shall not be denied or interfered with." (August 24, 1912, ch. 389, sec. 6, 37 Stat. 555; June 10, 1948, ch. 447, 62 Stat. 354; 1949 Reorganization Plan No. 5, effective August 20, 1949, 14 F. R. 5227, 63 Stat. 1067.)

In the past I have made it a practice that upon receiving allegations regarding the official conduct of Government employees first to make appropriate inquiries to reasonably substantiate the charges, and then to forward the information to the agency of the Government involved. Naturally in every instance the name of the employee or nonemployee with whom I had discussed the case was omitted.

This information was forwarded to the agency affected on the basis that each agency should take the initiative in cleaning up its own corruption. It has been only when the agency involved failed to handle the case as I thought it should that I have gone to the Senate floor with a public statement.

That practice has been followed in regard to the Treasury Department under both the previous administration and the present one; however, I can only interpret the Bureau's action in the case of this girl as an indirect warning to all employees as to what they can expect if in the future they are caught furnishing me any information. Therefore, I have no alternative other than to advise the Bureau of Internal Revenue here today that they will receive no further cooperation nor reports from my office until they have withdrawn all charges against this girl.

Mr. CARLSON. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from Kansas.

Mr. CARLSON. The Senator from Delaware has called the attention of the Senate to a rather serious charge, in that, as I heard his statement, a classified civil-service employee had been dismissed for the reason that she furnished information to a Member of Congress. It seems to me as though the discharge of this employee was really a reprisal for that act on her part.

As a Member of the Committee on Post Office and Civil Service, I would say that to such an incident I think we should give some attention not merely because of this individual case, but because other employees of the Government who are patriotic enough to cooperate with the Congress in giving its Members information may at some time be affected. So I wish to commend the Senator for advising the Senate of this situation.

Mr. WILLIAMS. I thank the Senator from Kansas, and I point out again that while Mrs. Affolter was first given a separation notice, she was reinstated after my complaint. At the time of her resignation a few months later, both she and I thought it was a purely voluntary resignation. It was only after this other difficulty that we found out her file was flagged with the notice that she would not be eligible for future employment.

I have talked to Mrs. Affolter. She does not have any intention of seeking reemployment with the Government, nor does she wish reinstatement. I think, however, in fairness to her record and to all employees who have cooperated with the Congress, her record must be cleared.

At the conference which took place in the Capitol, at which were present two Members of the United States Senate other than myself, it was clear that the furnishing of the information was the determining factor in the dismissal of Mrs. Affolter.

I repeat again: There is nothing in the books which I obtained from Mrs. Affolter dealing with income taxes of any individual, or any information the divulging of which would be considered a violation of the law.

I shall not be satisfied until the record of this girl has been cleared.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. SPARKMAN. Mr. President, I wish to address myself to the unfinished business, which is H. R. 1.

Thanks to the foresighted efforts of those who have planned our international programs from the end of World War II up to the present time, the free world has grown strong, and may now be in reach, at long last, of winning the cold war.

We have every right to be proud of the part our Nation has taken in helping to rebuild a world torn asunder and left in an utterly chaotic condition as a result of the devastating effect of World War II. But our work is by no means complete.

I can think of no more important task than that of leading the way to the establishment of a healthy, worldwide trade among the nations of the world. To help do just this is the purpose of H. R. 1. I hope and I believe that the Senate will approve the bill without crippling amendments.

The choice now before this body is between the general and the particular good. On the one hand stands the policy of continuing, as conditions permit, to reduce the barriers to free world commerce, and by so doing to enhance our prosperity and our freedom. On the other hand stands the policy of acceding to the petitions of an injured few who, by dint of organized complaint, have created an army out of what is really a platoon.

On the one side are ranged the Democratic Party, in its historic free-trade role, the present Republican administration, and leaders in public and private life. Groups there are also—the American Bankers Association, American Cotton Shippers Association, Farm Bureau, American Federation of Labor, Chamber of Commerce, Congress of Industrial Organizations, Cooperative League, Tobacco Associates, Tobacco Association of the United States, and Leaf Exporters Association, to mention a few. In addition, liberalization has been endorsed by every public advisory board on trade policy established since the end of World War II—by the foreign economic policies study group headed by Gordon Gray; the International Development Advisory Board, under the chairmanship of Nelson Rockefeller; the Public Advisory Board for Mutual Security, led by Daniel Bell; and the Commission on Foreign Economic Policy, directed by Clarence Randall.

Who are those in opposition? Some are those who historically, traditionally, and inherently are opposed to imports, who favor high tariffs, and who seem never to have recognized the shrinking of the world.

But there are others opposed to H. R. 1. There are those relatively few industries who could be hurt, and some of which may be hurt. With these, I have complete and real concern and sympathy. However, I feel that H. R. 1 as it comes to the Senate from the Finance Committee carries provisions for protecting these industries. Furthermore, President Eisenhower has given his positive assurance that the act will be administered so as to prevent undue injury.

There is another group—a rather large group—whose fears, I hope and I believe, are not based on reality. One of the industries in this group is one of great importance to my own State. I refer to the textile industry. I felt that the textile people were justified in asking that the applicable date be one prior to the enactment of this measure, rather

than July 1, 1955, as was proposed. They were entitled, as were other affected industries, to know just what the starting level was, rather than to be dependent upon what might come out of the Geneva conferences. The committee wrote this amendment into the bill.

There is only one basic determinant, namely, the good of our country as a whole; and there can be no question that our country's welfare depends on an ever-expanding reciprocal reduction of trade barriers.

The moment the Congress yields to particular interests, will be the moment when our Nation ceases to have a trade policy in the national interest. Instead, we shall be on our way back to the log-rolling tariff days, and shall have abdicated the leadership opportunity of building a fine, healthy, worldwide trade calculated to give even greater strength to the free world.

This is not to deny the need for cushioning possible damage to American industry which reduced trade restrictions may bring. I would agree with the Bell report—

> That in cases where choice must be made between injury to the national interest and hardship to an industry, the industry (must) be helped to make adjustments by means other than excluding imports—such as through extension of unemployment insurance, assistance in restraining workers, diversification of production, and conversion to other items.

I may add that similar recommendations for adjustment were made last year by a member of the Randall Commission, Mr. David J. McDonald, president of the United Steelworkers of America, CIO, whose proposals were subscribed to, in varying degrees, by other members of the Commission, and now have become the subject of proposed legislation.

Our serious consideration of these and related suggestions would seem appropriate.

With these principles in mind, I should now like to speak briefly about the benefits of the pending bill to our national economy, as well as to our worldwide military, political, and economic relationships.

One of the pillars of international economic trade policy, of course, is the long-term equalization of imports and exports. It is illusory to talk, as was once the vogue, in terms of a "favorable balance of trade." If a country's exports exceed its imports, the difference must be found in grants, loans, and gifts. Trade restrictions are thus a subsidy of the domestic producers whose products cannot successfully compete with imports, and of the exporters whose high volume of business can be sustained only by having the Nation as a whole—through governmental action—provide other nations with the funds which it is necessary for them to have if they are to purchase our exports without commensurately exporting to us.

Between the two World Wars, our excess of exports was compensated for by a high flow of gold bullion from Europe to this country. Since World War II, with European gold reserves greatly reduced, we have abridged the gap between exports and imports by $35 billion in economic aid.

And still the dollar gap persists. In 1954, for example, our nonmilitary exports in goods and services approximated $15,850,000 as compared to imports of only $10,250,000,000. The difference was covered in part by $4,750,000,000 of United States governmental grants or sales for foreign currencies.

"Trade, not aid," some say. But it is elemental economics that no aid and not enough trade are mutually exclusive conditions. Either we have aid in the amount necessary for absorbing the excess of exports, or trade will reach a level at which exports and imports are equal.

This means, of course, that if we wish to maintain—and, if possible, to expand—our present level of exports, we must either make possible greater imports, or expect to continue, and even to enlarge, our aid program. Few would argue in favor of expanding foreign aid; many, in fact, wish to see it curtailed. By the same token, we can hardly afford a decline in our exports.

Our export trade, which comprises about one-quarter of the world's total, annually consumes one-sixth of our total national production—more than a third of our cotton, one-quarter of our tobacco, 25 percent of our wheat, 50 percent of our rice, 10 percent of our machine tools, 20 percent of construction and mining equipment.

Since 1945, the value of agricultural exports alone has, each year, equalled about one-eighth of our annual cash farm income. One acre in every 10 of our total farmland is producing for foreign consumption.

My own State of Alabama knows the reality of these figures, for of its farm crops, about 35 percent of cotton and 15 percent of peanuts are sold abroad each year.

What, then, is the sensible course for the protection of our national economy? The eminently sensible course is to approve the trade-agreements program contained in H. R. 1.

Equally important are the effects of this measure on our worldwide military, political, and economic relationships. No one will deny that the vitality of a nation's economy directly affects its political and military strength. It is also indisputable that if nations are thwarted in their trade with us, they will soon turn to other markets, even markets within the Communist bloc.

Under the Marshall plan, for example, we gave to Denmark $1 million for the establishment of a blue cheese merchandising system especially adapted for sales in the United States. Several years later, upon complaints by cheese interests in this country that imports of Danish blue cheese were depressing their market, a quota on the imports of that product was established. The Danes thereupon cancelled permission for us to use islands in the Baltic Sea as sites for air bases; and, deprived of American dollars exchange, the Danes turned from coal purchases in West Virginia to coal purchases from Communist Poland.

Europe as a whole has made remarkable strides in economic recovery since the end of World War II. Steel production in Britain is approaching 20 million tons annually; Italian automobile production has increased 31 percent since 1953; West Germany's unemployment is below our own; and France's industrial output has soared from an index of 90 in 1948 to 128 at the present time. These are startling gains, but they can be maintained and strengthened only if we permit less restrictive access to our own markets, in return for the large volume of our products being sold in Europe.

In the Pacific, Japan is a keystone in our military and political planning. But there are disturbing signs that the economic vitality of that country is being impaired by limited access to markets in the United States, Europe, and the Commonwealth of Nations. A nation of 87 million inhabitants, increasing by a million and one-half a year, Japan is somewhat smaller in size than California. Of its total land mass, reduced 44 percent in World War II, only 16 percent is arable. The agricultural population is relatively constant; and industrial expansion is the only source of employment for population increases. In 1953, the per capita income was $190, in comparison to a per capita income of $1,850 in the United States.

Mr. President, on April 29 of this year, there appeared in the Washington Post and Times Herald an article entitled "Warning Signals in Japan." The article was written by Mr. Joseph Alsop; and in it he gives a very good picture of present conditions in Japan, and points out some of the danger signals to which I have just referred. I ask unanimous consent that that article be printed in the RECORD at this point as a part of my remarks.

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

MATTER OF FACT

(By Joseph Alsop)

WARNING SIGNALS IN JAPAN

In the past month, things have been happening in Tokyo that ought to have alarmed even the most complacent and self-satisfied American policymakers.

The theme of the drama has been a Japanese-American negotiation about the scope of Japan's "self-defense" program and the size of the "defense contribution" Japan pays the United States for its present defense by American forces.

At one stage in this drama, tension reached such a point that the Foreign Minister, Mamoru Shigemitsu, attempted to fly to Washington on 24 hours' notice to seek a new basis of agreement. When Secretary of State John Foster Dulles refused this abrupt visitation, Shigemitsu was publicly humiliated.

At another stage, the most powerful figure among Japanese conservatives, Finance Minister Hisato Ichimada, declared he would resign his post rather than present a Japanese budget drawn up in conformity with American ideas.

Prime Minister Ichiro Hatoyama was forced to warn United States Ambassador John Allison that Ichimada's resignation would bring down the cabinet and precipitate the ugliest kind of political crisis in Tokyo. On Allison's frantic plea, Washington's position on Japanese defense policy was then somewhat modified. In this manner, the Hatoyama cabinet was finally enabled to agree on an annual budget for presentation to the Diet.

As these words are written, however, everyone is forecasting that the budget debate in the Diet will be extremely stormy.

Above all, the Diet is expected to ring with furious charges of American intervention in Japanese internal politics and policymaking. And unfortunately these charges will be hard to answer.

Such are the results, such is the really appalling aftermath, of the bargain struck by Secretary of State Dulles when he negotiated the Japanese Peace Treaty and the linked understandings concerning defense problems.

The Dulles bargain was hailed at the time as a brilliant feat. But events have proved that it had two vices, which really should have been discerned at the time by simple, common foresight.

Vice No. 1 was to convince the Japanese that their own defense program was something imposed by America and designed principally to serve American interests. The rule that a national effort must grow up from the nation that makes the effort was lamentably ignored by Secretary Dulles. Japanese divisions were needed to make pretty patterns in the paper games played by the American Chiefs of Staff. That need, essentially a need of American domestic politics, was given first consideration.

Thus today, the much touted Japanese defense effort is still basically a phony. More than 100,000 men are now in training in the self-defense force. But with great numbers of Japanese, including many Japanese conservatives, the program is bitterly unpopular. And because the defense effort does not truly represent the Japanese national will, because it is regarded as something done at America's behest, the value of the new Japanese defense force is at least highly questionable.

The second vice of the Dulles bargain greatly inflames the effects of the first vice. America has not only been entangled in Japanese defense planning. Because of the so-called "defense contribution," America is also automatically entangled, each year, in the process of preparing the Japanese annual budget.

Maybe it looked like good business to provide that the Japanese would pay the United States $150 million a year for helping to defend Japan. Maybe it seemed a good way to spur the Japanese to build their own defense force, and so escape the burden of this "contribution."

But the sum involved, while a drop in America's fiscal ocean, is a very large sum indeed in the eyes of Hisato Ichimada and his hard-pressed budget makers. And because of this annual payment, the kind of Japanese-American drama that has just taken place here inevitably occurs whenever Japanese budget making begins. The Dulles bargain provides, in short, for an annual, automatic, unavoidable row between America and America's most important ally on this side of the Pacific.

To date, to be sure, the results have been just bad, not fatal. Anti-Americanism has been greatly encouraged. The Japanese have been given an excellent excuse for not thinking independently and realistically about their own national problems. But there has been no breach between America and Japan.

On the other hand, the present American policy line on Japanese defense and related problems plays directly into the hands of the astute Chinese Communist diplomats who are working overtime to promote an eventual Japanese-American breach. It is melancholy to contrast American clumsiness with Chinese Communist adroitness.

On the vital China trade issue, for example, the American line seems to have been carefully calculated to infuriate the Japanese, having the same look of heavy-handed intervention in Japanese affairs as our line on defense. The Chinese are taking brilliant advantage of this. While British and other Western trade negotiators are not asked in Peiping to deliver embargoed goods, the Communist trade mission now in Japan is asking for almost nothing except embargoed goods. The idea is being emplanted with great skill that only American obstinacy stands between Japan's struggling exporters and great profits in trade with China.

All of which leads to the conclusion which, it is authoritatively understood, has already been presented to Washington by the Embassy here. In brief, it is high time for a radical reexamination of our policies in Japan and our relationship with Japan.

Any such reexamination must lead to voluntary revision of the bargain struck by Secretary Dulles in 1951. The Japanese defense program must cease to be an effort made by contract with the United States. All American pressure on the defense issue must end forthwith. Such irritants as the nonsensical defense contribution must be altogether removed. If possible to reduce the Japanese sense of still being occupied, the American ground forces should be withdrawn from Japan to Korea or elsewhere.

By such steps as these, and only by such steps as these, a wholly new Japanese-American atmosphere can be created. And this is urgent, for if the present poisoned atmosphere persists, the eventual result is going to be a shattering shock to the Washington policymakers who so comfortably take Japan for granted.

Mr. SPARKMAN. Mr. President, Japan's central economic problem lies in its dependence on external commerce. Situated similarly to Great Britain, it must receive from the outside world 20 to 25 percent of its food supplies and a major portion of its raw materials. Before World War II it not only had raw material sources within the limits of its empire, especially Manchuria; it also had a firm trade relationship with mainland China, which during the 1930's consumed 18 to 20 percent of all Japanese exports. Now, deprived of Manchuria, and faced with the control of China by a Communist power, Japan has been experiencing a steady import-export disparity.

In 1953, imports were $2,410,000,000, and exports $1,275,000,000, leaving a payments deficit of $1,135,000,000. Of this amount, $785 million was shaved off by United States Government and troop disbursements; another $150 million by miscellaneous receipts, leaving a final deficit for 1953 of around $200 million. For 1954, due largely to increased trade outside the dollar area, this was expected to drop to within a one hundred to one hundred and fifty million dollar range—a significant improvement, but still a deficit, with long-range consequences for a viable economy.

Trade with the United States has been particularly disparate. In 1953 Japan received one-third of her imports from the United States, largely in the form of grains, cotton, iron ore, phosphates. In the same year, Japanese exports to the United States were only 17 percent of her total export trade. During the first half of 1954, exports to the United States declined 32 percent, while imports gained 50 percent.

It is interesting to note, in passing, that while 1954 imports of Japanese cotton textiles constituted a mere one-half of 1 percent of our total domestic cotton textile production, Japan purchased in 1954 about 25 percent of our raw cotton exports. Interesting, too, is the fact that while total imports of cotton textiles in 1954 were less than 1 percent of our total domestic cotton textile production, our exports of cotton textiles were 6 percent of our total domestic cotton textile production. One might very well question the wisdom of risking possible reduction in Japanese purchases of our raw cotton for the sake of blocking the small flow of Japanese cotton textiles coming into this country at the present time. One also might query whether, in the world trade picture as a whole, our domestic cotton textile industry, with such a high volume of exports, should not be interested in freeing, rather than restricting trade conditions.

We recognized from the very end of the war the important part Japan could play in giving stability to the western Pacific area—indeed to the whole world—if she could be kept on the side of the free world.

We took it upon ourselves to give to Japan every assistance and every encouragement to regain an economy that would make her self-sustaining and a strong force against Communist encroachment.

We helped her rebuild her industries. One of her prewar industries was textiles. We sent a commission made up of textile experts to Japan to study the problem and to make recommendations for the rehabilitation of her textile industry. One of the foremost textile experts in this country, a large manufacturer of cotton textiles, from my State of Alabama, Mr. Donald Comer, was a member of that commission.

We put Japan back into the textile industry. Naturally she should be able to sell her product. But we insisted that she not sell it in her traditional trade territory—the China mainland. Shall we now close our market to her entirely, or can we afford to continue to take the mere dribble from Japan and sell her in return our cotton?

The figures I have given assume greater significance when considered in the light of other factors in Japanese-American economic relations. We know, for example, that exports by Japan to Communist China have been very small, amounting to only $18 million in 1953, or 0.4 of 1 percent of total exports as compared with $278 million to the United States during that same year.

What may not be generally known, however, is that under our foreign assets control law, assets in the United States of individuals or concerns engaging in commerce with Communist China may be frozen at the discretion of the Treasury Department. Similarly, this statute prohibits the importation into the United States of any raw materials from Communist China, or of finished products made from such raw materials.

As an illustration of the comprehensiveness of this provision, I have been told of a recent instance involving 20 cases of Japanese mushrooms which were retained by customs officials, on behalf of the assets control group, until their non-Chinese origin could be proven by the importer.

The vitality of Japan's economy is also affected by the United States military procurement policy.

Upon the advent of the Korean war, the Japanese industry capable of making and supplying military goods underwent a large and rapid expansion. At present there are 126 major industrial establishments capable of producing arms, munitions, and maintenance services of up to $100 million per year. But whereas during the 1951–54 period the United States purchased through the offshore procurement plan almost $300 million of products from these companies, orders for the current year are only slightly more than $12 million.

Moreover, Japanese self-defense forces now consume only about $35 million of those same products, which, added to United States orders, totals slightly under one-half of full production. Unless steps are taken to find markets for the remaining $50 million of military products and services, a serious decline in that segment of the economy will take place in the latter part of this year.

What about possible markets for military products apart from procurement by the United States and self-defense forces? Here the problem is not only that most Asian countries are not in the market for this type of commodity, but that United States restrictions on weapons and technical information, presently used and produced by Japanese concerns, prevents those companies from dealing with certain potential Asian customers. The export of such military items is discouraged by our practice of paying for such items in local currency, rather than in dollars, thus removing them from the export category, and from the special Government preferences and allocations to which industries in that category are entitled.

Finally, there is the burden on the Japanese economy resulting from the maintenance of 100,000 self-defense forces, at a current annual cost of about $220 million, plus the present $161 million contribution made by Japan for the support of United States Armed Forces stationed within her borders.

From recent press comments one would judge that the United States is endeavoring to persuade the Japanese to increase both the size and the budget of self-defense forces, even though this may necessitate a reduction in Japanese support of United States forces.

Japan, for its part, appears eager to reduce, rather than increase, the present 14-percent proportion of its budget devoted to the armed forces. Premier Hatoyama, whose Democratic Party stoutly campaigned in the recent election on the pledge of restoration of political and economic relations with all nations, insists that if military spending is not reduced his Government will be unable to fulfill election pledges of new housing. If this should happen, it is the Premier's contention that the Socialists will become the majority party, thereby endangering the defense system so carefully established by the United States.

All of these facets of the Japanese economic situation, Mr. President, are related to H. R. 1, as well as to the broader aspects of American policy toward that important country.

They call, of course, for an orchestration of means and ends which I think is absent from official planning at the present time.

At the very least they call for our approval of H. R. 1, by which Japan can be helped to secure the markets for her products, to which she is not only entitled, but to which she must have access if she is to continue to survive as a free nation.

I understand that there is at present in Japan a Communist Chinese trade mission. It is reported that this group is seeking agreements on a wide variety of goods, particularly those which are included in the embargo on trade with Communist countries.

These Chinese Communist traders, the report continues, are skillfully manipulating the theme that only American dominance and American control prevent such trade relations from being consummated. This is, indeed, not the time to let such a patently false idea gain currency through any default of our own. H. R. 1 may not be the final answer, but it is a partial step toward helping Japan to satisfy her trading needs within the free world.

Mr. President, I have discussed today the importance of basing our decisions on trade policy on the good of the Nation, rather than on the good of particular interests. I have stressed the benefits of reciprocal reductions in trade barriers to our own economy. Finally, I have emphasized the importance of H. R. 1 in relation to our worldwide economic, political, and military relationships, with particular reference to the country of Japan.

Here, my countrymen—

In the words of Alexander Hamilton to an earlier age—

impelled by every motive that ought to influence an enlightened people, let us make a firm stand for our safety, our tranquillity, our dignity, and our reputation.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point, as a part of my remarks, a brief but very clear and pointed editorial published in the Washington Daily News of today.

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

FOR RECIPROCAL TRADE

"The United States has an ever-growing surplus of the products of our farms and factories which must find markets abroad," reads one of the first sentences in the report of the Senate Finance Committee recommending extension of the Reciprocal Trade Agreements Act.

And that is precisely what the high-tariff lobbyists have ignored in their strenuous efforts to persuade Congress to erect barriers against international trade.

They have tried to alarm practically every industrial community in the land about the largely mythical dangers of competition from abroad. But they never get around to mentioning that every dollar we spend for imported goods comes back to us in payment for American products, and that the primary reason we can't sell more goods to foreigners is their lack of dollars.

Chairman HARRY BYRD, Democrat, of Virginia, and the other members of the committee—with the exception of Senator MALONE, Republican, of Nevada, and Senator KERR, Democrat, of Oklahoma—wisely recognized the facts of the situation and have submitted a report favoring extension of the Trade Act, as President Eisenhower had recommended.

Prospects seem good for a favorable vote, and that is as it should be.

This is no time for the United States to make even a gesture against economic cooperation among the free nations of the world. Extension of the Reciprocal Trade Act will stand as evidence of our sincerity in this field, and our wisdom as well. For sound trade, now as always, benefits all parties to it.

Mr. SYMINGTON. Mr. President, I rise to support H. R. 1, and to congratulate the distinguished and able chairman of the Finance Committee, and the committee itself, for the accomplishments expressed in this bill.

As we all know, trade is the channel through which the benefits of free enterprise flow.

Through trade, the products of our farms, factories, and service industries move from producers to consumers.

The American standard of living is based upon trade. As trade ebbs and flows, so does the employment of our labor, our farmers, our management, and our capital goods.

Obviously areas with the least trade have the lowest standards of living; and are therefore more susceptible to the inroads of communism.

Approximately 25 percent of all goods exported, come from the United States, although our population is but 6 percent of the population of the world.

Fortunately, America is also the world's leading importer. Otherwise, we would be giving away our wealth, because imports are the way we obtain payments for our exports.

It is true that we do give some of our wealth to others. For example, not counting military supplies and services, this country last year gave foreign aid amounting to four-tenths of 1 percent of the country's total production.

That, of course, was not trade. We hope, however, that such gifts will bring the world dividends in peace and freedom.

It is, of course, desirable to have free movement of goods and services between countries. But some of our industries are conditioned to tariff protection.

There can be no universal across-the-board policy of raising tariffs, or lowering tariffs; or freezing tariffs at their present rates.

Each industry, and in some cases certain individual products, should be studied carefully from the standpoint of tariff protection.

Some people repeatedly point out that the United States is a low-tariff country, with an average rate of but 12 percent on dutiable items.

But this figure is about as meaningless as the compilation of the average sales price of goods on a grocer's shelf; because such discussion of averages tends to obscure the fact that our tariff protection ranges from zero on many commodities to as high as 200 percent on others.

Whether these varied rates are proper depends upon the individual facts in each case; and it is only right that a procedure be established for changing rates based on changing conditions.

As I understand it, that is one of the features of this reciprocal trade-agreements program, within the range of change authorized by law.

There are also cases where possible heavy additional unemployment requires careful analysis before any changes are made.

Several segments of the economy obtain advantages from increased imports into the United States. They include most producers, and ultimate consumers, who thereby obtain commodities in greater quantity and at more competitive prices.

Exporters also benefit, because dollar purchasing power is thereby created in foreign lands, and used, in turn, to buy more of our goods.

There are some companies in the United States which cannot increase their efficiency, and therefore, cannot meet foreign competition. Fortunately, however, their number is small.

We would not be the greatest exporting country in the world if we could not, in most instances, undersell foreign competition.

Nor could we have history's highest wage rates, and highest standard of living, if our productive efficiency did not surpass that of all other countries.

Representatives of some industries stress the fact that foreign countries have lower wages. That is true.

With that premise, those representatives of these industries seek higher tariffs.

But wage rates are not the same as labor costs per unit of output. American industry can outproduce and outsell all other countries in practically every commodity where large-scale production methods and skilled organization are the determining factor.

The State of Missouri has a wide range of economic activities, along with 4 million consumers. What might help one Missouri business, however, might damage another.

As I see it, therefore, one should weigh all the effects of any particular tariff proposal; and then try to come up with whatever decision is best for all the people.

As example, a tariff request backed up by proof that the application in question would contribute to the defense of the United States should be approved. Anything which strengthens our national defense is vital to the interests of us all.

When the bill extending the Reciprocal Trade Agreements Act came before the Congress last year, I submitted an amendment to prevent any decrease in the tariff rate on a particular commodity when the President found that such a reduction would threaten the domestic production of that commodity in the quantity needed for national defense requirements.

Last January I wrote the Secretary of State, asking what procedures and criteria had been established to administer that section of the law which dealt with these defense requirements.

Mr. President, I ask that at this point in my remarks copies of my correspondence with the State Department be made a part of the RECORD.

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

JANUARY 26, 1955.

The Honorable JOHN F. DULLES,
Secretary of State,
Department of State,
Washington, D. C.

DEAR MR. SECRETARY: When the Reciprocal Trade Agreements Act was extended last session, an amendment was included, providing that national-defense requirements tests be applied. The language of this amendment reads as follows:

"No action shall be taken pursuant to such section 350 to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements."

Currently, consideration is being given to further expansion of this act, giving certain authority to the President in regard to tariff changes. Having sponsored the amendment just quoted, I am particularly interested in being advised of the procedures and the criteria which have been set up to administer the language and intent of this provision. It would also be helpful to me to know just what actions, if any, have been taken in the use of such procedures and criteria.

I would appreciate your arranging to have the above-mentioned information given to me at the earliest convenience.

Sincerely,

STUART SYMINGTON.

DEPARTMENT OF STATE,
Washington, February 2, 1955.

The Honorable STUART SYMINGTON,
United States Senate.

DEAR SENATOR SYMINGTON: Reference is made to your letter of January 26, 1955, requesting information on the procedures and criteria set up to administer the language and intent of section 2 of the Trade Agreements Extension Act of 1954, which provides that no action should be taken under the authority of section 350 of the Tariff Act of 1930 to decrease the duty on any article where the President finds that such reduction threatens domestic production needed for projected national defense requirements.

Your interest in this matter is appreciated and the requested information will be sent to you soon.

Sincerely yours,
THRUSTON B. MORTON,
Assistant Secretary
(For the Acting Secretary of State).

MARCH 4, 1955.

The Honorable JOHN F. DULLES,
Secretary of State,
Department of State, Washington, D. C.

DEAR MR. SECRETARY: Under date of January 26, 1955, I wrote you to learn of the procedures and criteria which have been set up to administer the language and intent of the amendment I introduced last year to the Reciprocal Trade Agreements Act.

Enclosed is a copy of my January 26 letter for your ready reference.

I was advised by letter of February 2, 1955, from your Department that a reply was in preparation. It is the purpose of this letter to suggest the timeliness of such reply from you as soon as appropriate information can be assembled.

Sincerely,

STUART SYMINGTON.

DEPARTMENT OF STATE,
Washington, March 10, 1955.

The Honorable STUART SYMINGTON,
United States Senate.

DEAR SENATOR SYMINGTON: Further reference is made to your letter of January 26, 1955, requesting information on the procedures and criteria set up to administer the intent of section 2 of the Trade Agreements Extension Act of 1954, which provides that no action should be taken under the authority of section 350 of the Tariff Act of 1930 to decrease the duty on any article where the President finds that such reduction threatens domestic production needed for projected national defense requirements. Your letter of March 4 is also acknowledged. It is regretted that preparation and clearance of this reply involved so much delay.

In a memorandum dated October 5, 1954, to the Chairman of the Interdepartmental Committee on Trade Agreements, the President asked that Committee to provide him with appropriate information and advice in order to enable him to make the appropriate determination under section 2 of Public Law 464. He asked, in addition, that the Chairman of that Committee take appropriate measures to keep the Office of Defense Mobilization informed of any serious problems which may from time to time arise in connection with this provision of the act.

In compliance with the President's request, the Chairman of the Committee proposed to the Director of the Office of Defense Mobilization that the following procedure be followed:

1. The Department of Defense member of the Trade Agreements Committee would inform the Director of the Office of Defense Mobilization if in his opinion serious problems were involved by reason of the applicability of section 2 of Public Law 464.

2. In addition, when the trade-agreements committee published a list of products to be considered for possible tariff concessions, a copy would be sent to the Director.

3. Whenever the Director might desire to bring to the attention of the committee any matters relating to section 2 of Public Law 464, the committee would be glad to receive his views.

The Director of the Office of Defense Mobilization informed the chairman of the trade-agreements committee of his agreement with the procedure outlined above and confirmed with the Department of Defense the liaison function of the defense member of the committee. He added that it was clear that in those rare instances where a difference of view within the trade-agreements committee could not be resolved and was referred to the President for his information, the Office of Defense Mobilization might be called upon to provide additional advice and information on the policy questions involved. He recognized that the procedure outlined by the chairman would not preclude calling on the Office of Defense Mobilization for this purpose.

In addition to establishing the foregoing procedures, the chairman of the committee specifically reminded the members of the committee of their standing obligations, under the Executive order governing operation of the committee, to report to the President their reasons for dissent from any recommendation of the committee. Should any member deem a recommendation of the committee to threaten domestic production needed for projected national-defense requirements, it would consequently be his responsibility to furnish a full report of his views to the President, giving reasons for such a dissent.

The first occasion to utilize these procedures arose when the trade-agreements committee in November 1954 published a list of products to be considered for possible tariff concessions in the forthcoming tariff negotiations involving Japan. In accordance with item 2 of the procedure, a copy of the list was immediately sent to the Director of the Office of Defense Mobilization.

The oral and written statements received from the public by the committee for reciprocity information and the Tariff Commis-

sion, as a result of the hearings which they held in December in preparation for these negotiations, included in a number of instances the claim that a tariff concession on a particular product would threaten domestic production needed for projected national defense requirements or would otherwise impair the Nation's defense capabilities. The chairman of the trade-agreements committee sent to the Director of the Office of Defense Mobilization a complete list of industries and industrial groups making such claims, the products involved, and in most instances, a brief summary of the information and views offered in support of the claim. The Director was invited to examine the full text of the written statements or oral testimony on any or all of such claims.

In discharge of the responsibility of the Department of Defense under item 1 of the procedure outlined above, its member on the trade-agreements committee has informed the Office of Defense Mobilization of all instances in which he believed, after examining all relevant facts and opinions, that any problem might be involved by reason of the applicability of section 2 of Public Law 464. In arriving at his views, the Department of Defense member has called on experts within that Department for technical information and advice. The Department of Defense member brought to the attention of the trade-agreements committee those products on which it appeared that action to reduce the duty would threaten domestic production needed for projected national defense requirements. In this way, the committee is given the guidance needed to assure that it avoids recommending to the President any offer of a concession which would threaten domestic production needed for projected national-defense requirements.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

Mr. SYMINGTON. Mr. President, after receiving these replies from the Department of State, it was suggested to the distinguished chairman of the Senate Finance Committee that it might be desirable to strengthen this section by directing the President to prepare and issue criteria, and to make specific findings based on such criteria, in each instance where defense requirements were involved.

At this point I would like to place in the RECORD my letter to the chairman of March 22 last, and to acknowledge with appreciation his gracious reply.

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

MARCH 22, 1955.

Hon. HARRY FLOOD BYRD,
Chairman, Finance Committee,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: Last year, I submitted an amendment to H. R. 9474, the bill to extend the Trade Agreements Authority under section 350 of the Tariff Act of 1930, as amended.

The amendment went to conference of the Senate and the House. The language, as passed, is as follows:

"SEC. 2. No action shall be taken pursuant to such section 350 to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements."

On January 26 of this year, I wrote the Secretary of State asking what procedures and criteria had been established to administer that section of the law. (See attached copy.)

Having received only an acknowledgment of my January 26 letter, I repeated my request to the Secretary of State on March 4. (See attached copy.)

Under date of March 10, I received a letter from Assistant Secretary Morton, replying to my previous letters. (The former is attached.)

As will be noted from the above-referred-to letter of March 10, a somewhat voluntary and loose procedure has been established, which permits, but does not require, that section 2 of the act, or the clear intent of Congress, be administered effectively.

Could not the failure of the State Department's letter to reply to the specific inquiry be interpreted to mean that no criteria have been set up to administer this section.

Accordingly, it would appear that legislative action may be the only way to stipulate that the President make findings and give appropriate consideration to such findings in respect to the effects of tariff reductions upon domestic production of articles needed for projected national defense requirements.

I submit, therefore, for your consideration the necessity for not only including section 2 as presently written but for adding an additional paragraph to that section, as follows:

"To implement the preceding paragraph of this section, the President shall prepare and issue criteria to be applied in making the required findings. In each instance of a tariff reduction under section 350 of the Tariff Act of 1930, as amended, the President must make a specific finding under such criteria prior to any change in the tariff duty."

I would deeply appreciate your giving consideration to this proposal, and would be very glad to discuss it with you further any time at your convenience.

Sincerely,

STUART SYMINGTON.

Mr. SYMINGTON. Mr. President, this defense amendment of last year has been retained by the committee, and a subsection added. The latter places full responsibility upon the President for any adjustment of imports which are important to our national security.

It would be difficult to gage the effect increased imports would have on increased unemployment, just as it would also be difficult to gage the increase in employment which would result from increased exports.

From figures obtained, however, it appears that any possible increase in imports resulting from the President's utilization of his authority under this bill would have little if any effect upon unemployment. In fact, the Randall Commission estimated that an across-the-board reduction of 50 percent in our tariffs would result in an increase in unemployment of less than 1 percent of the total labor force in the United States.

The pending bill concerns itself primarily with a maximum permissable decrease of 15 percent in individual rates; and this is over a 3-year period.

Nor did the Randall Commission study take into account any new product developments, or the development of more efficiency in the industries concerned.

Any action which results in unemployment is a very serious matter indeed to those who become unemployed. Accordingly, one factor which should be given weight in the administration of both the peril-point clause, and the escape clause, is what any decision does to employment.

We all know, however, that in this type of economy most unemployment develops for reasons completely unrelated to the question of imports.

In that tariffs ultimately become a price burden on consumers, they should be avoided when possible and the unemployment issue should be handled directly.

In this Reciprocal Trade Agreements Act, tariff reduction possibilities are relatively limited.

Any reduction in duties is in itself permissive; and the maximum amount of permitted decrease is relatively slight.

There seems to have been much public misunderstanding on this point. Based on our mail, apparently many persons believe the proposed legislation would permit a tariff duty of 20 percent to be reduced, over a 3-year period, to 5 percent.

As has already been pointed out by other Senators, however, if a tariff duty were 20 percent, and the President elected to reduce that duty the maximum allowed in any one year, the reduction would be 5 percent of 20 percent, or 1 percent. Hence a 20 percent rate would become 19 percent.

It is, indeed, a rare situation in the United States if such a slight reduction in tariff duty could have the devastating effects some advertise. One should have more confidence in the ingenuity and efficiency of American industry.

I believe in the reciprocal trade-agreement approach to tariff adjustments. But that does not mean favoring any giveaway approach; nor does it mean that all negotiations should be turned over to any group unilaterally committed to free trade.

Every time a representative of the United States sits down to discuss tariffs with representatives of foreign countries, hard-headed bargaining should characterize the proceedings.

In addition to obtaining tariff understandings which are so needed by our export industries and our farmers, those meetings should emphasize the importance of lessening exchange controls and various other devices which are now being utilized against American products.

In the improved trading atmosphere which H. R. 1 should create, much of our agricultural surpluses can and should be disposed of.

This result also would be accomplished by businesslike bargaining at the tariff table. In fact, the taxpayer has the right to expect the same trading approach from his Government that the stockholder expects from his management.

In reporting the bill, apparently the committee has made some modifications, some of which might not have been decided upon under ideal conditions. But the advantages of the bill far outweigh any possible defects.

When H. R. 1 becomes law, its administration should be watched with care, particularly wtih respect to the defense aspects and the escape clause. I am confident that will be done, because on February 17 last, in referring to H. R. 1, the President said, "No American industry will be placed in jeopardy by the administration of this measure."

It is for these reasons, Mr. President, that I recommend the passage of the proposed legislation.

Mr. CARLSON. Mr. President, as a member of the Senate Finance Committee, it was my privilege to attend most of the open and executive sessions of the committee in their consideration of H. R. 1.

I can honestly state that I know of no proposed legislation that has received more thorough consideration by the committee than has this measure dealing with the extension of the reciprocal trade agreement.

The sessions, both open and executive, lasted approximately 8 weeks. During that period of time, we heard representatives of the Tariff Commission, representatives of the various Government agencies who are vitally concerned with this program, as well as witnesses representing all phases of industry, agriculture and labor.

In our executive sessions, we had the benefit of the advice and counsel of the State Department and our own staff members. Their help and counsel were invaluable.

In an issue that is so far reaching and involved as is the reciprocal trade agreement program, there is bound to be a great divergency of opinion. I think it is to the credit of our committee that, after weeks of executive sessions, we were able to report to the Senate a bill by an almost unanimous vote. This, of course, does not mean that there were not closely-divided views on many amendments which were adopted.

Our committee is especially indebted to the skillful handling of this bill before the committee by the distinguished senior Senator from Virginia [Mr. BYRD] and the ranking Republican Member, the senior Senator from Colorado [Mr. MILLIKIN]. These Senators have spent years studying this problem and are thoroughly conversant with every phase of it.

The report of the Senate Finance Committee on this bill and the debate have, in my opinion, clarified and expressed very definitely the congressional intent.

I wish to discuss two phases of this proposed legislation that are of special interest to the people of my State.

First, I desire to discuss reciprocal trade agreements from an agricultural standpoint. I feel it is imperative and in the best interests of the farmers, as well as in our national interest, that we provide for an expansion of international trade.

I do not wish to discuss the value of agriculture exports merely from the standpoint of agriculture itself, but from a broader viewpoint—the national interest. Everyone must realize the best customer for the American farmer is, after all, the American consumer; that is, the United States domestic market. On the other hand, it is our surpluses which we need to market outside the United States that largely restrict the income of the American producer on his total production.

The total value of our farm exports has increased from the July–December period each year since 1952. In July–December 1953, our farm exports were $29 million more than in the same months of 1952. During the last 6 months of 1954 the dollar value of our farm exports was up more than $100 million over the 1953 level, reaching $1,582 million.

In the last session of Congress, we passed Public Law 480, through which our Government is continuing to move farm surpluses into foreign countries. This program is well under way, and the Department of Agriculture is entitled to much credit for the increased exports of a number of commodities.

The importance of the export market can be somewhat visualized when we realize that we exported last year the amount of raw cotton grown on over 6 million acres; that is, almost one-third of the entire cotton crop harvested last year. In that year we exported wheat grain and wheat flour from the equivalent of more than 14 million acres of wheat. This quantity of wheat exported totaled almost 26½ percent of the total wheat acreage harvested in the United States last year.

In the case of tobacco, we exported the equivalent of almost 1 acre out of every 4 harvested. In the case of rice, the 1954 exports represented almost 22 percent of the acres harvested.

In addition to this, we exported sizable quantities of many of these commodities in processed form.

These figures demonstrate that we must not in any way impair the effectiveness not only of the present trade policy but we must not enact any legislation which would endanger the exports of agricultural and industrial products.

The American farmer has demonstrated his ability to produce not only for domestic needs but also in a volume that requires export markets. In order to maintain a prosperous agriculture, we need export markets of at least $4 billion a year at present prices.

We have the capacity to supply an even larger foreign demand. At the present time, through our price-support programs, we have accumulated more than $6½ billion worth of surpluses of agricultural commodities. We have accumulated these surpluses despite production controls on basic commodities of wheat, cotton, corn, peanuts, tobacco, and rice.

Agriculture must be given its fair share of the export market if we are to have a prosperous agriculture and a sound domestic economy.

Mr. President, I now wish to discuss a problem before our committee which is of great concern to the citizens of Kansas, and of course to the Nation generally, and that is the ever increasing amount of oil imports.

This problem has been of growing concern to not only the oil industry, but to our citizens generally, for the past 10 years.

It was only a few years ago that oil imports were at a figure of around 300,000 barrels daily, while figures for the first quarter of 1954 were at a daily average of 1,102,000. For the first quarter of 1955, the daily average was 1,328,000 barrels, or an increase of 20½ percent.

The oil imports had increased so consistently and so rapidly that the President, on July 30, 1954—last year—established an Advisory Committee on Energy Supplies and Resources Policy. The Director of Defense Mobilization was designated as chairman, and the heads of the following agencies served as members: Departments of State, Treasury, Defense, Justice, Interior, Commerce, and Labor. This committee was directed by the President to evaluate all the factors pertaining to the continued development of energy supplies and resources fuels in the United States, keeping in mind not only our national economy, but national defense.

The Advisory Committee reported to the President shortly before we began our hearings on H. R. 1. The Advisory Committee makes the following statement in its report:

> The committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply.
>
> In view of the foregoing, the committee concludes that in the interest of national defense imports should be kept in the balance recommended above. It is highly desirable that this be done by voluntary, individual action of those who are importing or those who become importers of crude or residual oil. The committee believes that every effort should be made and will be made to avoid the necessity of governmental intervention.
>
> The committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

During the hearings before the Senate Finance Committee on the extension of the Reciprocal Trade Agreements Act, we heard much testimony urging the limitation of oil imports to 10 percent. As a matter of fact, the distinguished junior Senator from West Virginia [Mr. NEELY] and several other Senators, including the junior Senator from Kansas, cosponsored such a proposal.

I did this because it was my conviction that petroleum imports were excessive and that they constituted a definite threat to the welfare of a great domestic industry to my State, and, what is more serious, to the security of our Nation.

If the trade-agreements program is to continue to justify the support that it has previously had, it must be realistic and demonstrate that it is capable of being administered in such a way as to give recognition to conditions which might lead to undermining the security of our country.

I feel that sufficient recognition of some problems has not heretofore been given in the administration of this program. I, therefore, came to the conclusion that specific legislation was indicated, not only to protect the industries concerned and the security of our coun-

try, but also to insure the maintenance of the trade-agreements program itself.

I believe that a majority of the Members of this body have reached a similar conclusion. I further believe that the administrative agencies charged with this responsibility have themselves recognized the problem.

The proposal I was supporting for specific treatment as to oil was made necessary because of lack of any effort to restrict the excessive importation of oil, coupled with the potential power to increase imports of oil to such an extent that they could destroy the domestic petroleum industry and render our country dependent on uncertain sources of oil to sustain our expanding economy as well as our security.

I now know that this situation is recognized in the highest places in our Government. The Senate Finance Committee, in approving H. R. 1, specifically recognized the problem and inserted in its report a portion of the report of the President's Advisory Committee on Energy Supplies and Resources which had been submitted by the White House. In addition, the committee added section 7 delegating to the President specific authority to act with relation to the restriction of imports of certain commodities, which I understand to include petroleum. Under this provision the Director of Defense Mobilization, when he has reason to believe that any article is being imported in such quantities as to threaten or impair the national security, may so advise the President. Then, if the President agrees, he may cause an investigation to be made and, if the investigation supports the findings of the Director, the President is required to take such action as he deems necessary to adjust the imports of such article to a level which will not threaten to impair the national security.

As a member of the Finance Committee, I supported this proposal as a substitute for various amendments providing limitations upon the importation of specific commodities, one of which amendments was the one which I had supported in regard to petroleum. I supported the proposal adopted by the committee because I was assured by those in the administration responsible for the administration of the trade-agreements program that if such amendment were adopted by the committee and by Congress action would immediately follow, and that imports of petroleum and its products would be definitely restricted.

I was further assured that such restriction would be based upon the study previously made, to which reference was made by the committee; that the basis of the limitation would be in accordance with the recommendation of that study. This study indicated the necessity of limiting imports of petroleum and its products to an amount and in the relative position of the imports of petroleum in 1954 as related to domestic production of crude oil in 1954.

I was further assured that the Director of Defense Mobilization would take the action indicated as necessary to adjust imports of petroleum and its products to the level and relationship of 1954.

It is my judgment that, if these assurances can be supported by such further evidence as this body may think proper, we can all rely upon these assurances and that the importation of petroleum and its products will forthwith be limited to a relationship to our domestic production and in an amount equal to the 1954 position.

Since the report of the Finance Committee, I have further explored this situation with administrative agencies charged with the responsibility for the application of this program, and I can say to the Senate that again I have complete assurance of compliance of these agencies with the direction set forth in that amendment.

Based on these assurances, I heartily support the report of the Finance Committee.

During the executive sessions much consideration was given to the limitation of oil imports and the limitation of other imports on a percentage or quota basis. After literally days of discussion and thought, the committee wrote in a general amendment dealing with these commodities. There can be no doubt in my mind as to the intent of the committee, nor, do I believe, as to the intent of the Senate in regard to limiting the oil imports to the average daily imports of the year 1954, based on the report of the President's Commission on Energy Supplies and Resources Policy.

I can assure the Senate that I would not have agreed to the amendment in H. R. 1, dealing with imports of commodities which are of national defense interest, had I not been assured that it would be the policy of those who administer the act to follow the intent of those who participated in preparing the report of the Advisory Committee.

I think it is interesting to note that on April 18 Secretary of the Interior Douglas McKay, who was a member of the President's Advisory Committee, stated in a speech at Mount Vernon, Ill., in referring to the question of oil imports, that he not only approved the committee's recommendations but also stated:

> To state it simply, it means that appropriate governmental action should be taken if the importers do not voluntarily hold down the rate of imports in proportion to the 1954 level.

I think, as the senior Senator from Colorado [Mr. MILLIKIN], the ranking minority member of the Senate Finance Committee, stated yesterday, that we expect those in authority to administer this program on the basis of a limitation of imports; and if it develops, and we find that the program is not being so administered, then it will become the duty of the Senate Finance Committee, the House Ways and Means Committee, or individual Senators or Members of Congress to demand full compliance with this intent.

Mr. ANDERSON. Mr. President, will the Senator from Kansas yield to me briefly?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Does the Senator from Kansas yield to the Senator from New Mexico?

Mr. CARLSON. I shall be most pleased to yield, provided I do not lose the floor.

Mr. ANDERSON. As the Senator from Kansas knows, some oil is produced in my State, and the oil producers there are very anxious about this question of oil imports. At the same time I value the stand and the opinion of the Senator from Kansas very highly. Does he feel that the oil producers of my State would be justified in taking the assurances given as guaranties that the oil industry is not going to be disrupted by unusual and devastating amounts of oil imports?

Mr. CARLSON. I am pleased to state to the distinguished Senator from New Mexico, who always follows closely the interests of not only the people of his own State, but of the people of the Nation, that had I not believed that the amendment we approved in committee, which was recommended by a very substantial vote, would protect the oil industry from ever-increasing imports, I certainly would not have voted to report the bill to the Senate, and I certainly would not be on the floor today stating I favored it and would vote for it.

Mr. ANDERSON. I appreciate the statement of the Senator from Kansas, in whose State there have been oil operations of long standing. Some of us were somewhat worried by the situation, so far as reducing importations of fuel oil was concerned, because we felt it was crude oil which was causing a great deal of the trouble. At the same time, if there is only one amendment before the Senate, the easy and natural thing is to vote for the amendment, if it is in the interest and welfare of one's own State. With the proposal in the present language, I should like to ask the Senator from Kansas, for whom I have great respect, if he feels that, along with other Senators who come from oil-producing States, we are doing all we can be expected to do if we vote for this type of amendment.

Mr. CARLSON. I will say to the Senator from New Mexico that I believe that this amendment will establish a standard on which we can rely; that it will limit oil imports, as recommended by the Advisory Committee on Energies Supplies and Resources Policy, to 13.6, and we expect that recommendation to be carried out.

Mr. ANDERSON. I thank the Senator from Kansas for that information. It is reassuring to me.

Mr. DANIEL. Mr. President, will the Senator from Kansas yield?

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

Mr. DANIEL. The Senator from Kansas is aware of the situation in the State of Texas. Today we are restricting production of oil in our State to only 16 days a month. Our production has been cut back to 16 days a month, partly because of excessive oil imports. Then, as the Senator knows, the wells in our State are permitted to produce an average of only 20 barrels a day. It is true that we have a great oil industry, and that industry furnishes the main portion of our tax revenues; but the Senator from Kansas knows that when the production

of that great industry is cut down to a total of 20 barrels a day, and only 16 days production a month, not only does the industry suffer, but, likewise, the State and all the local taxing agencies suffer, because of the loss of revenues which otherwise would be collected from the production of oil. Is that not true?

Mr. CARLSON. I wish to state to the Senator from Texas I have noted some figures on production, and I believe they are correct. During the month of May, Texas was cut back 208,000 barrels a day; Oklahoma was cut 20,000 barrels a day; Kansas was cut 25,000 barrels a day. In addition to production cuts, the Senator well knows of other restrictions during the past years. I would say the problem is of great concern, not only to our States, but to the Nation as a whole.

Mr. DANIEL. That was the next point I was about to make. Not only is it of great concern to our States and to the independent oil industry, but it is of national concern if we are to believe the President's Advisory Committee on Energy Supplies and Resources Policy, and I certainly do believe them. If imports are allowed to exceed the ratio they bore to market demand or production in 1954, the national security would be endangered. Is that not correct?

Mr. CARLSON. I thoroughly agree with the distinguished Senator from Texas. It was for that reason that the junior Senator from Kansas and the junior Senator from Texas and many other Senators cosponsored an amendment making the limit 10 percent. I say very honestly and sincerely, had it not been that I was satisfied with the amendment adopted by the committee, after days and days of hard work and conferences, I would still have supported a limitation on oil imports of 10 percent.

Mr. DANIEL. Is it not true that the independents in the industry are the ones who are most seriously hurt by excessive oil imports, because of the fact that the major oil companies which operate in this country have foreign supplies of oil, which they can bring to this country and use. The independents in the industry do not own foreign oil. Their only production is domestic, and that production is being reduced because of excessive imports. They are the ones who are hurt by excessive oil imports. Does the Senator agree with that statement?

Mr. CARLSON. I agree with that statement. By the last order, flush production was cut to 25 barrels a day in Kansas, and other production was cut 10 percent, based on March runs. That is what hurt the independent oil producers. There can be no question about that.

Mr. DANIEL. The national security requires that the independents form a progressive and important part of the oil industry, because they are the main ones who explore for new oil reserves. Is that not true?

Mr. CARLSON. That is correct. It is the independent oil producer, the wildcatter, who goes forth and looks for oil.

Mr. DANIEL. Why should the major oil companies explore for new oil and develop new reserves owned by them at home, when they have so much oil in the Far East and other foreign countries? In other words, they do not have the same incentive to discover and develop new oil reserves in our country that the independents have. Is that correct?

Mr. CARLSON. That is an accurate statement.

Mr. DANIEL. In addition to what the President's Advisory Committee on Energy Supplies and Resources Policy reported, I ask the Senator if there was other evidence before the committee which indicated the injury that would be suffered by our Nation and its national defense and security if oil imports exceeded the 1954 ratio between imports and market demand?

Mr. CARLSON. Yes. There was much testimony both from witnesses who favored importation of oil—importation in large quantities—and from those who were opposed to all imports of oil. There is no question that excess importation will affect not only our national defense, but our economy, and it is important that we have an economy that is thriving and growing.

Mr. DANIEL. Based on that evidence, is it the Senator's understanding that if oil imports should exceed the 1954 ratio, there would be injury to our national security?

Mr. CARLSON. There can be no question about that.

Mr. DANIEL. Was there any reason why the committee included the amendment at all, if the committee did not feel that the national security would suffer if oil imports were in excess of the 1954 ratio?

Mr. CARLSON. As I said earlier in my remarks, the Finance Committee spent much time on this amendment and on other amendments dealing with quota imports and their effect on the national defense. We were seriously concerned about the matter. For that reason, we have assurances that those administering the act will act in accordance with the proposals submitted by the President's Advisory Committee on Energy Supplies and Resources Policy and the evidence submitted to our committee. I have no doubt of it.

Mr. DANIEL. As a member of the committee, is it the opinion of the Senator from Kansas that a majority of the committee, which supported the amendment, intended that the necessary action be taken to keep imports from exceeding the 1954 ratio, which has been interpreted by the President's advisory committee as the ratio beyond which injury would be done to the national security?

Mr. CARLSON. One reason why I say that is very definitely the opinion of the committee, or at least the intent of the committee, is the fact that the chairman of the Finance Committee included in the report of the committee a part of the Advisory Committee's report, which, after all, in my opinion, gives the intent of the Finance Committee.

Mr. DANIEL. Yes. I was particularly impressed by what the Senator from Kansas has said in the course of his able address today to the effect that he has received from administrative officials assurances that they will enforce this provision and will see to it that imports are not allowed to damage the national security.

Mr. CARLSON. Of course, I would say—and I think it was mentioned yesterday by the distinguished Senator from Colorado—we expect the administrative agencies to carry out the intent of the Senate and of the Finance Committee; and I feel confident they will do so. In fact, I think I can say we had definite assurances that they intend to do so.

Mr. DANIEL. A moment ago I understood the Senator from Kansas to say that, as a member of the committee, he has received such assurances.

Mr. CARLSON. I have.

Mr. DANIEL. I wish to say that I, also have today received such assurances. However, I think it is more important for us to consider the assurances made to the Senator from Kansas, who is a member of the Finance Committee. Further, he is a coauthor of the Neely amendment. Is that correct?

Mr. CARLSON. That is correct.

Mr. DANIEL. Since the Senator from Kansas was an original coauthor of the Neely amendment, I think his statement as to what the administrative official will do with the committee substitute for the Neely amendment is very important.

As I understand it, the President's advisory committee which wrote the Flemming report recommended that if imports of crude oil exceed the 1954 ratio between imports and production—I believe they used the word "production" rather than the words "market demands"—appropriate action should be taken to limit the imports. That portion of the Flemming report on oil imports is contained in the report of the Finance Committee; is it not?

Mr. CARLSON. That is correct. In my statement to the Senate, just before this interrogation by the distinguished Senator from Texas, I read a statement and an excerpt from a speech by the Secretary of the Interior, Douglas McKay, who was a member of the President's advisory committee. I shall read it again; this is a quotation from the statement he gave on April 18, at Mount Vernon, Ill., when he was speaking of the report of the Advisory Committee:

> To state it simply, it means that appropriate governmental action should be taken if the importers do not voluntarily hold down the rate of imports in proportion to the 1954 level.

I do not see how anything could be any plainer than that.

Mr. DANIEL. I certainly agree with what the Senator from Kansas has said; it seems plain to me. I simply wanted to have assurance from the Senator from Kansas, who, throughout the hearings, served on the Finance Committee and heard the evidence. I wished to be sure that he understands the matter as I understand it. I refer to the reports of the danger to national security which already have been made, and to the statements that administrative officials feel they can stop the threat to our national security under the provision the

Finance Committee has written into the bill.

Mr. CARLSON. I wish to say to the distinguished junior Senator from Texas that, insofar as the junior Senator from Kansas is concerned, this colloquy at least interprets the congressional intent, including the intent of the Finance Committee, as I interpret it, as a result of my attendance at the hearings—and I attended most of them. I feel confident that this situation can be taken care of on the basis of the recommendations of the President's Advisory Committee on Energy Supplies and Resources Policy.

Mr. DANIEL. I hope that action will be taken, and I am sure the Senator from Kansas will be one of the first to support enactment of a stronger provision requiring the reduction of excessive oil imports, if the administrative officials fail to carry out the intent of the amendment.

Mr. CARLSON. There is no question about that.

Mr. DANIEL. Does the Senator from Kansas understand that after the Cabinet report was issued, administrative officials expressed themselves to importing companies as feeling that the recommendations of the Cabinet committee should be followed, and that the importing companies should voluntarily cut their imports to the 1954 ratio?

Mr. CARLSON. I think that is a very fair statement. As a matter of fact, during the hearings, when we had before us some of the presidents of and other witnesses representing the larger importing companies, I brought out the fact that I did not like to have imports limited by means of a rigid percentage basis, and that I hoped they would voluntarily make an effort to hold the imports within the limits set forth in the advisory committee's report. They assured us they would. So we are taking them on faith. If they do not do so, I assure the Senator from Texas that, insofar as I am concerned, I shall propose that action be taken to have them comply.

Mr. DANIEL. I should like to ask one more question, which may appear to be somewhat technical: As I understand, under the amendment the Director of the Office of Defense Mobilization would be the Government official who would report to the President that imports might be at such a ratio that they would endanger the national security.

Mr. CARLSON. That is correct.

Mr. DANIEL. Since the same official was on the Cabinet committee—as a matter of fact, he was chairman of the committee, was he not?

Mr. CARLSON. He was.

Mr. DANIEL. Since he was on that committee, and since his committee has already made one investigation and report as to a ratio of oil imports which would endanger the national security, is it the understanding of the Senator from Kansas that that official already has sufficient information to report to the President, and to justify action by the President under this amendment?

Mr. CARLSON. Not only is it my understanding but it is most reasonable that he should do so, and I so stated earlier in my remarks.

Mr. DANIEL. In other words, there would be necessity now to make a further examination of the evidence, insofar as oil is concerned. If it continues to exceed the danger point there is no need for a new investigation.

Mr. CARLSON. That is correct.

Mr. DANIEL. I thank the Senator from Kansas.

Mr. CARLSON. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The bill is open to further amendment.

CHILDREN IN RURAL AREAS NEED ACCESS TO SALK VACCINE INOCULATIONS

Mr. NEUBERGER. Mr. President, I rise to speak, not on the bill providing for extension of the Trade Agreements Act, but on a subject of vast importance to all the people of the United States, especially the parents of children. I wish to speak briefly on the methods of distributing the Salk antipolio vaccine, and particularly with reference to getting it to the rural areas. I in part represent a State which has vast agricultural realms in which many farm and ranch families dwell at places remote from medical centers, remote from doctors, remote from hospitals. Many of these people have sent to my office letters in which they express considerable concern as to whether their children are to have as ready access and availability to this miraculous vaccine as will the children who live in the cities.

I think experience has shown us that, unfortunately, disease, especially this tragic one, is no respecter of areas, boundary lines, or frontiers. In fact, if I am not mistaken, one of the most devastating, far-reaching, and long-lasting polio epidemics of recent years occurred in rural areas in the State of Idaho.

Mr. President, the families of America have been blessed this spring with one of the great accomplishments of medical science in recent years—the discovery of the Salk vaccine to protect our children against the crippling attacks of poliomyelitis, or infantile paralysis. But the critical season when this dread disease is most dangerous is close at hand, and parents all over the country are deeply concerned that their children will have a fair chance at this protection to the full extent that it can be made available.

According to all authorities in the field, the Salk vaccine will be in short supply during the coming "polio season," which will threaten the children of the Nation from the beginning of June on through the early fall. There will be far from a sufficient supply of vaccine to confer immunization upon all the children in the vulnerable and susceptible age groups.

The National Foundation for Infantile Paralysis made a good start with its program for the 6 and 7-year-olds in the first and second grades, and even this program will provide only 2 of the 3 shots needed for immunization to the 9 million children covered.

The vaccine available between now and June 1 will be enough for 7 million additional immunizations at the "preseason" level of 2 shots each. This could be just enough to inoculate the most critical age-group—between 5 and 9 years—if we had an effective program to assure these youngsters of priority during the weeks immediately ahead.

During the months of June and July, the second most susceptible age group, between the ages of 1 and 4 years, could also receive protection—if an effective program of priorities were maintained.

There is substantial agreement on this sequence in which different age groups of children should receive immunization, in accordance with their relative susceptibilities as shown by experience. Well-meaning efforts have been made to set up and observe this sequence by a system of voluntary priorities. But so far, however well-meaning most people concerned with the vaccine may be, the fact remains that drug salesmen and doctors can make the vaccine available to just about anyone they wish.

FARM CHILDREN NEED POSITIVE PROGRAM OF VACCINE DISTRIBUTION

Furthermore, Mr. President, we have no assurance that even a system of priorities will succeed in making vaccine available to children in the age groups which are entitled to first consideration. Beyond priorities, a positive program of distribution is needed during these immediate months of the greatest shortage and the most urgent need.

I am particularly concerned about the children in the wide rural areas of the Nation, where there is less direct access to members of the medical profession. A child in a farmhouse may be far from clinic or hospital, but the disease does not respect city boundaries. I repeat, only a positive program of reserving adequate supplies of vaccine for these children and making it available in their communities can assure them of protection.

No child in these most susceptible, highest priority age groups should be deprived of immunization because of geographical or because of economic barriers. The easiest and most effective way to reach the children in the high-priority, 5 to 9 year age group who have not yet been inoculated is obviously through the schools, where the National Foundation has already carried on its program for the 1st and 2d graders. But time is of the essence. The schools will close in another month, and it will become far more difficult to get the children together again for another organized program of distribution.

Mr. President, it has been apparent that during the weeks immediately preceding the announcement that the statistical tests of the vaccine had proved it a success, the national administration had done nothing to prepare a genuine, effective plan to avoid chaos in the scramble for immunization.

When it became plain that the Nation faced, unprepared, the serious problem

of distributing an unhappily limited supply of a marvelous medicine, forward-looking men in the Congress, with the support of public-spirited organizations, tried to fill the vacuum of leadership. The distinguished chairman of the Senate Committee on Labor and Public Welfare [Senator HILL] urged the Secretary of Health, Education, and Welfare to get the President to act, and he succeeded in having the administration set up a conference on Salk vaccine. Subsequently, he wrote the President additional specific suggestions designed to facilitate the orderly development of a program in the best public interest. My senior colleague, Senator MORSE, has introduced a bill (S. 1691) to furnish positive Federal guidance and assistance to the wisest distribution of the wonder drug in the immediate critical period. In recent days, other Members of both Houses of Congress have expressed their concern about the snags resulting from our national unpreparedness for the distribution of the marvelous vaccine.

NATIONAL LEADERSHIP STILL NEEDED

So far, we still have seen no convincing evidence of effective national leadership toward taking action on this problem. There have been, and there still are, studies and conferences and talk. But I sincerely hope that, in this vital matter, we shall soon get something beyond the study and discussion conferences which, under this administration, we have come to expect as substitutes for action.

I hope, Mr. President, that the administration will act soon on some of the sound suggestions which have been urged upon it by representatives of public-minded organizations. I hope that, at least, the studies will result in a very early statement—today rather than tomorrow—by the President of the United States setting forth a schedule of priorities which will lend the great national prestige of his office to assure that our children will be able to get immunization in accordance with their probable danger.

Beyond that, I would support the modest Federal appropriations which would be necessary for distribution to the States to enable them to carry out organized plans for immunization through the schools, while these are still in session, and for preschool children when the higher-priority group has been taken care of. And I hope that the administration will inform the Congress immediately of any legislation that may be necessary to enable it to require the records and other controls to make such programs work, and to assure us that Dr. Salk's vaccine will indeed reach those first who need it most.

In conclusion, I should like to add that in my opinion the greatest oversight up to the present time has been in the rural areas to which I have referred, because those are the areas which have the least contact with doctors, clinics, and hospitals. Unless we have a program whereby children in the dangerous age groups, so far as susceptibility to polio is concerned, can receive the vaccine soon through their schools, whether they be public schools or private schools, there will be the danger that a great many of the children on the farms will be beyond the scope of this marvelous protecting vaccine.

Mr. President, I now wish to discuss another subject very briefly before yielding the floor.

The PRESIDING OFFICER. The Senator from Oregon may proceed.

EGYPT GETS HIGH DAM, BUT NOT THE UNITED STATES

Mr. NEUBERGER. Mr. President, on the very day that the Republican national administration turned its back upon a great power and irrigation project in our own Pacific Northwest, the supposedly backward land of Egypt announced plans for construction of the greatest power and irrigation dam in history, on the headwaters of the legendary Nile River.

On May 2, 1955, the Eisenhower administration sent to the Senate Committee on Interior and Insular Affairs statements renouncing Federal erection of the Federal high dam on the Snake River in Hells Canyon, finest natural hydroelectric site left in our country.

On May 2, 1955, the Egyptian Government heralded plans for Sadd el'Ali—the high dam—across the Nile, to cost $516 million. This vast edifice will be 3 miles long, 365 feet in height, and will generate 10 billion kilowatt-hours of power. Furthermore, Sadd el'Ali will irrigate 2 million acres of potentially fertile land, thus increasing the cultivated area of Egypt by 33 percent.

I regret the willingness of this national administration to abandon the magnificent Hells Canyon Dam, which would generate 5,800,000,000 kilowatt-hours of electricity and could furnish financial assistance for the Mountain Home irrigation project in our own Northwest. Yet I rejoice that the Government of Egypt has had the foresight and courage to plan for Sadd el'Ali—the high dam—even if the Republican administration in the United States has spurned the great plans of our Corps of Army Engineers and Bureau of Reclamation for the high dam at Hells Canyon in our own land.

The letter to the Senate Interior Committee, setting forth the Eisenhower administration's opposition to a high dam at Hells Canyon, was signed by Interior Secretary McKay.

Mr. President, I ask unanimous consent to include in the body of the RECORD a story from the New York Times of May 2, 1955, entitled "High Dam Is Key to Water, Power," describing Egypt's bold venture in the realm of hydroelectricity and irrigation.

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

HIGH DAM IS KEY TO WATER, POWER—SADD EL'ALI, WORLD'S BIGGEST, WOULD INCREASE TILLABLE ACREAGE BY A THIRD

(By Richard Rutter)

The land of the Pharaohs is taking a giant step into the 20th century.

Five thousand years ago Egypt built the Pyramids, among the mightiest projects of history. Today, the young Republic of Egypt is planning another tremendous undertaking—the world's greatest dam.

A few months ago Premier Gamal Abdel Nasser, leader of the 1952 revolution that threw out King Farouk, announced that his Government intended to build a new dam on the Nile, 4 miles south of the present Aswan Dam, 800 miles south of Cairo, and 200 miles north of the Sudan borden. Since then, at the request of Egypt, the International Bank for Reconstruction and Development has dispatched a mission to study the project on the spot. The financing remains the major obstacle.

FOUR TIMES BOULDER DAM

The cost of Sadd el'Ali (the high dam) is estimated at $516 million. According to present plans, it will be 3 miles long and 365 feet high, and will hold 130 billion cubic meters of water—5 times the annual flood of the Nile and 4 times the capacity of Boulder Dam.

The benefit to the Egyptian economy would be far reaching. For industry, Sadd el'Ali would provide 10 billion kilowatt-hours of electric power. But since Egypt is primarily an agricultural country, the High Dam is regarded, first of all, as an irrigation project.

As planned, Sadd el'Ali would give enough additional water to reclaim 2 million acres of untilled land, increasing the nation's cultivated area by 33 percent. It will permit rice to be planted on an additional 700,000 acres and allow other crops to be raised on another 700,000 acres now irrigated only during flood periods.

In all, Egyptian economists estimate that the High Dam will add $430 million to the annual national income, now put at $2,847,000,000 a year.

Egypt's economic problems—and they are great—all revolve around the land and its use. In the last 50 years the population has nearly doubled, while cultivated land has increased by only 12 percent.

Today 16 million of the 21 million Egyptians derive their livelihood from farming an area of 13,000 square miles. That means a population density of more than 1,200 a square mile, about 22 times that in the agricultural areas of the United States. As a result, the standard of living is appallingly low.

The great majority of farms are 1 to 5 acres, too small to be operated economically. This fragmentation has been accelerated by inheritance laws that divide land among many heirs. Some of the most fertile land, moreover, has been held in "Waqf." This is land bequeathed to a religious or charitable institution or to heirs who may not dispose of it but may enjoy the income.

The Nasser regime has initiated an industrialization program as a partial solution. At a cost of $78 million, generating stations are being built at the Aswan Dam.

An iron and steel works is being constructed at Helwan, near Cairo. It will cost $45 million, and produce 240,000 tons a year in about 4 years. (The iron ore deposits at Aswan are estimated to be sufficient to supply Egypt's steel industry for the next 500 years.) Other plans call for a 375,000-ton fertilizer plant to be powered by Aswan, a 20,000-ton paper plant, a 50,000-ton beet sugar factory, a 200,000-unit tire factory and a 20,000-ton jute plant.

MUCH OF FLOOD WASTED

But the basic answer to the nation's problems, it is generally agreed, lies in harnessing the Nile. At present, the waters of the great river are controlled by a system of barrages and dams extending from just below Lake Tana on the Blue Nile in Ethiopia and Lake Victoria on the White Nile to Lower Egypt. The dams, however, cannot handle the heavy amount of silt that comes down during the floods. In August the sluice gates are opened and the water rushes to the sea taking silt

with it. As the crest passes and the water clears, the sluices are closed and storage begins. This system means that each year billions of cubic yards of water are lost.

Some areas of the country still employ the basin system of irrigation, dating from the days of the Pharaohs. The land is permitted to flood and when evaporation and soil absorption have done their work, it is cultivated. The drawback is that only one crop can be grown each year.

If and when the high dam is built, it will revolutionize the control of the Nile and its waters. The dam would be of solid construction; allowance for silting in the reservoir would make sluicing unnecessary. Thus Sadd el'Ali could hold back the full force of the Nile's annual flood and save billions of cubic yards of water for irrigation and power.

INTERNATIONAL PROBLEM

There is, however, one important complication—aside from the critical matter of financing. The High Dam would back up the Nile for more than 200 miles, with about half of the flooding in the Sudan. The town of Wadi Hafa in the Sudan would be completely inundated.

Egypt will have to reach an agreement with its neighbor on compensation for the flooding as well as on a division of the water.

But Egypt seems determined to go ahead with the High Dam project. Upon its success depends the rebirth of an ancient land.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. SMITH of New Jersey. Mr. President, we are now debating what in my opinion is certainly one of the most important single pieces of legislation which will be considered in this session of the Congress. The importance of this proposal was attested to by President Eisenhower when he warned: "If we fail in our trade policy, we may fail in all."

I

FUTURE STRENGTH OF FREE WORLD REQUIRES ECONOMIC COOPERATION

I shall support the bill as reported by the Committee on Finance by a vote of 13 to 2.

Nevertheless I do not contend that concerning this important legislation, there exist only "pros" and no justified "cons." This is certainly not the case. The distinguished senior Senator from Nevada and other Senators have made very honest and sincere arguments to support their position. In this particular instance my interpretation of what is best for all the people of America and for our friends and allies throughout the world has led me to a different conclusion than that of these distinguished Senators.

It is because I feel strongly that this program, so ably and so energetically supported by the President, is in the national interest, that I shall vote for it.

Mr. President, in these days of international tension, the strength of the free world is our only deterrent against aggressive action by the Communists which might easily lead to all-out war. We have worked long and unceasingly to forge military and political unity. We are continuing to do so. But from my experience as a member of the Foreign Relations Committee, I can assure you that the political and military arrangements which we have developed with our friends and allies will inevitably be weakened unless they are established on a foundation of economic stability and cooperation.

The three pillars upon which we must build are political security agreements, military strength, and economic cooperation. Millions of people in the free countries and also the leaders in the Kremlin are watching closely this congressional debate to see whether we will unite behind our President in building this third pillar of economic cooperation.

General Gruenther in his testimony before the Foreign Relations Committee in March brilliantly described the dangers of Soviet efforts in propaganda and political warfare. He attested to the existence of a certain skepticism in Europe as to our ability to meet the Communist challenge on all these fronts. He stated, and I quote:

> The Europeans realize that the United States is in a leadership position in the world, and they wonder whether we have the wisdom to carry that leadership in this kind of competition.

Today in the world there exists an almost bridgeless gap between the Communist and the anti-Communist nations. Despite this vast canyon between East and West, in fact partially because of it, the United States has developed with its friends and its allies a degree of unified purpose probably unparalleled in world history. Both parties in this country of ours have been of one mind with regard to the principle that the security, health, and happiness of our 48 States cannot be achieved, maintained, or increased unless free people in other lands are making progress in the same direction.

We are unified here in America in believing that our foreign policies should and must be based on national self-interest. We have come to realize from past experience that enlightened self-interest requires us to be concerned about conditions in other lands. We have learned that our independence is strengthened by the growth of independence elsewhere, and that our security is increased by the development of security abroad.

The great pattern of mutual defense systems that we have helped develop in the free world would never have reached present heights of achievement, if there had not existed feelings of mutual respect, confidence, a willingness to compromise, a marked lessening of suspicion and fear, and an increasing sense of stability and prosperity. Furthermore, this partnership approach is in line with the yearnings of the non-Communist underdeveloped nations of the world for greater freedom, independence, and self-determination.

Militarily and politically there has been remarkable success. But in the field of international economics and trade there continues to linger age-old prejudices, suspicions, fears, jealousies, and threats of reprisal. An aura of instability and lack of continuity exist in this great field of trade relations. History has shown that this unhealthy climate always is a fertile breeding ground for the growth of economic warfare, and today such a climate is a fertile breeding ground for the spread of communism.

It is the purpose—perhaps the highest purpose—of this modest program for reciprocal trade and gradual lowering of trade barriers to stamp out this disease before it can spread and undo all the progress which has been made since the war. President Eisenhower laid it on the line for us when he frankly warned:

> To abandon our program for the gradual reduction of unjustifiable trade barriers—to vitiate the administration proposals by crippling trade barriers * * * would constitute a serious setback to our hopes for global peace.

II

EFFECT OF H. R. 1 ABROAD

Before considering why the passage of this bill is important for the continued growth and prosperity of America, let us look for a minute at H. R. 1 in terms of the future prosperity and strength of our much-needed friends and allies overseas.

During the past few months our attention has been necessarily focused in the Pacific-Far Eastern area on the Formosa situation. This Congress is united in its belief that the security of Formosa is vital to our own security. But, if it is important for us that Formosa remain free, strong, and prosperous, it is even more important that the free world strive to assure the future of Japan. It does not reflect one bit on the importance of Korea or Formosa, on which we are so much interested, for us to recognize that in Japan we have an even heavier weight on the scales of a free Asia. And so, if we are concerned about the future of Formosa—as we are and should be—we must be at least equally concerned with maintaining Japan as a strong and friendly ally against Communist colonialism.

Japan has aptly been called the workshop of Asia. But without food, and without raw materials, there can be no workshop. The industrious Japanese depend on imports for one-fifth of their food and most of their raw materials, and they rely on exports to pay for them. Yet the volume of exports in 1953 was well below the 1934–36 volume. Japan has suffered an adverse balance of trade every year since the end of World War II.

JAPANESE TRADE AND RED CHINA

Before the war, in 1937–38, the Chinese mainland was Japan's largest customer. Now, for a number of reasons, primarily because of the policies of the Chinese Communists themselves, the Chinese mainland market hardly exists.

Japan is desperate for other markets for its goods, in order to earn the necessary foreign currency for financing imports of food and raw materials. As the present artificial prosperity in Japan—which resulted from the occupation and the Korean conflict—lessens, Japan's degree of desperation and the threat of economic disaster increases. Of course, this would fit very nicely into the Communist blueprint for eventual subversion

of Japan. And if the Japanese are discouraged by the Western nations from building new non-Communist markets, she naturally will turn, I fear, to Red China.

But America is only one possible market in the free world for Japan. It is certainly to our advantage to assist Japan in its efforts to increase its trade with the free nations of southeast Asia. However, before these countries can become good customers of Japan, they must achieve higher standards of living, which in turn will increase their desire for imports.

Here, Mr. President, is one of the very good reasons for continuing our economic aid to this entire area. By helping these peoples to help themselves toward greater economic prosperity, we are helping Japan. Cut off this economic aid, deny Japan other markets in the West, and we will certainly drive that power toward the outstretched arms of the Communists. If we do this, I have no doubt that future historians will state with considerable justification that it was this Congress that helped to seal the fate of Japan and "sold it down the river."

It is in the interest of the United States and also of Great Britain and our other allies to give Japan the opportunity to achieve economic stability. Without it there can be no political stability and no military strength. Japan can be a good friend, an equal partner, and a strong ally if we desire to help. The Japanese people are willing if we are. Let us therefore realize in this debate here today that part of this responsibility rests squarely on our shoulders.

H. R. 1 AND THE FUTURE OF THE UNDERDEVELOPED COUNTRIES

Mr. President, one aspect of H. R. 1 has received very little attention. Nevertheless, in my eyes, it is one of the most important parts of H. R. 1. I feel that the case of H. R. 1 is exceptionally strong in terms of the future strength and stability of the so-called underdeveloped nations. About two-thirds of the world's population live in these areas, which have become the chief battleground in the war of ideas between communism and democracy.

Mr. President, at the conference in Manila last year, at which I had the privilege of being present with Secretary Dulles, the United States joined other nations from the West and three important underdeveloped nations in signing the Pacific Charter. In that declaration, the signatory powers agreed, among other things, "to cooperate in the economic, social, and cultural fields in order to promote higher living standards, economic progress, and social well-being in this region."

In the passage of H. R. 1 we are helping to meet that pledge of cooperation and partnership. By assisting these nations in their search for markets, and providing them with American goods and services in return, we will be helping to assure that these all-important areas remain on the side of freedom. If we were to defeat this bill, we would be saying, in effect, "Please ignore the Pacific Charter; we did not mean what we said."

It is highly important, Mr. President, that the millions of inhabitants of the underdeveloped areas have confidence in the words and actions of the United States. These nations need assurance that markets for their exports will be available throughout the world when their economic development has progressed to that degree. Defeat this bill, and we will undermine their confidence in us and discourage their incentive to develop economically. In terms of the worldwide struggle of ideas, the consequences for democracy everywhere would be very grave.

H. R. 1 AND THE FUTURE OF OTHER NATIONS

The people of Europe and other parts of the world have an equally strong stake in H. R. 1. Their prosperity and standard of living depend to a large degree on their ability to buy our goods and materials. But they must have dollars with which to pay. Either we give and lend them the dollars, or else we must permit them to trade with us and earn our dollars. Trade has to be two way. Otherwise, it cannot exist. If we wish to export, we must permit imports.

The progress that has been made in Europe toward developing a system of freer trade has been real. The Council of the Organization for European Economic Cooperation has initiated a plan to remove quota restrictions from 90 percent of the trade among the Western European countries. These nations intend to liberalize their trade 100 percent as their balance-of-payments position improves.

But mere regional lowering of barriers by this OEEC action will not alone solve the problem, because of the powerful role which the American market plays in most of these countries. Without continued access to the American market for the products of Switzerland, Portugal, and Italy, among others, the domestic economies of these nations would be threatened. American import policies may mean life and death to Chile, which exports 71 percent of her total copper production to our market, or to Indonesia, which sold us 28 percent of her rubber in 1953. The economic prosperity of these and other nations depends heavily on our import policies.

The weapons of economic warfare are not expensive to manufacture; but the results of their use can be very costly. The tariff and the quota can be just as devastating to the prosperity and security of a nation as a rain of well-aimed bombs.

IMPORTANCE OF TRADE TO AMERICA

This can work the other way, too. We are totally dependent on imports for our coffee, cocoa, bananas, and tea. We rely almost entirely on imports for the tin, chromite, nickel, manganese ore, graphite, and cobalt we need for our industrial prosperity and military security. If it is right for us to cut off swiss cheese imports, then certainly we cannot complain if other countries cut us off from much-needed raw materials.

American agriculture and industry continues to rely considerably on export markets for rice, cotton, tobacco, sulfur, heavy machinery, and pharmaceuticals. If we are to follow a policy of arbitrary import restrictions, then certainly other nations will be justified in limiting, and can be expected to limit, imports of these American commodities which mean so much to segments of our own economy.

These few examples should certainly be sufficient to demonstrate the great degree of economic interdependence of the free world. This fact should be recognized, just as we now have come to realize the interdependence of free nations in the realm of political agreement and military strength.

III

THE EFFECT OF H. R. 1 ON UNITED STATES ECONOMY

The great majority of the opposition to the President's trade program stems from the sincere belief of many persons that a further lowering of barriers to imports will result in mass unemployment and in a crippling of many American industries.

As a Senator from the State of New Jersey, I am, of course, intensely interested and concerned with the prosperity of all the people and industries of my State. But without intending in any way to deny the seriousness of the situation among some industries and in some areas, I am compelled by a close study of the facts to state that there has been considerable misunderstanding in regard to the provisions of H. R. 1, the meaning of reciprocal trade, and the relationship between domestic prosperity and imports.

Many persons have expressed the belief that their continued employment and increased prosperity depend on the defeat of this bill. This is looking only at the import side of the picture.

But I am forced to conclude from my studies that the jobs of at least as many Americans depend primarily on exports.

Almost all the industries which have expressed to me their concern over possible damage caused by imports or the threat of increased imports derive a substantial part of their income from exports.

For example, in 1954 total imports of cotton cloth to the United States are estimated at $22.4 million. But total exports of cotton cloth for the same year were $162 million. Are the manufacturers of cotton cloth willing to lose this valuable export trade in order to limit imports?

Take the chemical and allied products industry, which is New Jersey's No. 1 industry, employing over 57,000 workers in 800 different firms. In 1954 the Tariff Commission estimates imports to the United States valued at about $250 million. But exports for 1954 were valued at over $1 billion. This suggests that even in New Jersey many more jobs in this industry depend upon maintaining exports than are threatened by increasing imports.

The manufacture of heavy electric power machinery is another important New Jersey industry. In 1954 the value of United States imports of this machinery was $10,483,639, while the value of exports was about 16 times that figure, or $160,426,701.

I cannot but conclude from these and other facts which I have studied that the maintenance of markets for these exports is also important to the security and prosperity of the United States.

IV

H. R. 1 AND THE PROBLEMS OF SOME DOMESTIC INDUSTRIES

I shall not pretend that some of the industries, such as textiles, do not face some difficult problems. This has been true for a number of years. Some segments of the textile industry have moved to the South. Others face stiff competition from producers of synthetic commodities. The total per capita consumption of textiles in the United States has decreased.

These are real problems which must be dealt with realistically.

H. R. 1 AND FEARS OF RESULTING HARDSHIPS

It should be emphasized and reemphasized that the program recommended by the President will entail gradual and selective tariff reduction over a 3-year period. In his message to Congress last January, President Eisenhower made this clear when he said that "radical or sudden tariff reductions would not be to the interest of the United States and would not accomplish the goal we seek." I am sure that the President will always keep in mind the welfare of the American people and will not permit their security to be jeopardized by any arbitrary act. And my confidence in the President is so strong that I believe it would be both unwise and unnecessary to limit further his power of decision in matters of trade negotiations.

He, after all, is President of all the people of the United States and is directly responsible to them. From this position, he can see a broader picture of our national interest than any individual commission, or any individual Senator, for that matter.

Let me point out that our President is not oblivious to the welfare of American industry. I should like to quote from a letter which the President wrote to Representative JOSEPH MARTIN, of Massachusetts, last February 17. The President was commenting on the administration of H. R. 1 if enacted. He said:

> Obviously, it would ill serve our Nation's interest to undermine American industry or to take steps which would lower the high wages received by our working men and women. Repeatedly I have emphasized that our own country's economic strength is a pillar of freedom everywhere in the world. This program, therefore, must be, and will be, administered to the benefit of the Nation's economic strength and not to its detriment. No American industry will be placed in jeopardy by the administration of this measure. Were we to do so, we would undermine the ideal for which we have made so many sacrifices and are doing so much throughout the world to preserve. This plain truth has dictated the retention of existing peril-point and escape-clause safeguards in the legislation.

Many sincere Americans are opposed to a reduction in trade barriers, because they fear a lowering of these barriers will cause severe hardships. As I have pointed out, I believe such hardships will be very few. But where injury directly due to our trade policy can be established, some adjustments will be necessary. In cases of dislocation, unemployment compensation and placement programs are available. The Government has a policy of letting Government contracts to depressed areas and industries. The Small Business Administration is empowered to make loans for the construction of new facilities. These forms of adjustment assistance are available when economic changes result in dislocation, no matter what the cause.

Various other proposals which have been suggested for adjustment assistance should receive the careful consideration of the appropriate committees. But I do not believe it would be wise so to amend the proposed legislation before the Senate today until further study of the adjustment proposals is made.

H. R. 1 AS REPORTED WILL HELP TO PREVENT SERIOUS DAMAGE

Besides my confidence in the President's assurance that there will be no radical or sudden reductions, I should also like to point out that the Committee on Finance has amended the bill. I wish to commend that committee most heartily for the work it has done on these amendments. Without changing the essence of the bill, these amendments will, in the main, help to assure that serious damage will not be inflicted by increases in imports.

One committee amendment concerns present trade negotiations involving Japan. Under existing authority items could be cut in these negotiations by 50 percent of 1945 levels. I think it would be somewhat unjust if under H. R. 1 additional cuts in the same items were made. This committee amendment to the bill before us would preclude such additional cuts where these items are cut by more than 15 percent after January 1, 1955. I am glad the committee saw fit to make this change in the bill, where a kind of double jeopardy seemed possible.

It seems to me that the committee amendments should be sufficient to allay most of the justified fears of various segments of the American economy.

In my judgment, the proposed legislation will in the long run benefit all Americans.

The entire free world looks to us for leadership in this problem of international trade. The future security and strength of many nations will in part be decided here today. This bill will strengthen our friends and allies, and it will strengthen America, too.

The self-interest of all free men requires that we act favorably. To do otherwise would be to court economic warfare and the deterioration of the strength of the non-Communist world.

I hope H. R. 1 will receive the wholehearted support of the Senate.

Mr. THURMOND. Mr. President, I commend the Senate Finance Committee for the very fine work of the members in considering and reporting to the Senate the amended version of H. R. 1, the Reciprocal Trade bill. It is my opinion that the committee, under its able chairman, the distinguished senior Senator from Virginia [Mr. BYRD], has done the Nation a tremendous service.

I particularly wish to express my appreciation to the distinguished senior Senator from Georgia [Mr. GEORGE] for his successful advocacy in the committee of the amendments which I presented to the committee on March 23, on behalf of 16 of my colleagues and myself.

As the bill comes to the Senate from the Finance Committee, it preserves the well-established principles of trade with the nations of the free world. It also establishes some safeguards for the thousands, yes, even millions, of workers in various industries of this country, against reductions of tariff rates which might endanger the American economy.

Opponents of amendments to H. R. 1 have presented their case well. I am not so sure those of us who believed some amendments vital have made absolutely clear the principal point regarding the amendments.

There may be some persons who have been convinced that the amendments we suggested to the committee would mean that all reductions in tariff rates would be ended. That is not correct. The bill as it was reported to the Senate by the committee does not in any way prevent the negotiators at the GATT conference in Geneva, Switzerland, from carrying out their negotiations with the same authority as under the present law.

The accusations which have been made against the people of the textile industry, which has about 90 percent of its products under negotiation at Geneva, that this industry is opposed to our Nation helping to develop world trade is entirely incorrect. The truth is that the industry does not believe it would be fair to place in double jeopardy any items being negotiated at Geneva.

With present authority to reduce the tariff rates on textile items up to 50 percent at Geneva, the additional authority to make further reduction up to 15 percent in the next 3 years, as provided in the bill before amended by the committee, would actually mean that reduction could total 57½ percent of the present rates. It should be remembered that textile tariff rates were reduced early in the reciprocal-trade program. The average reduction in tariff rates, ad valorem equivalent, on cotton textile products since the beginning of the reciprocal-trade agreements has been 37 percent.

Cries have been heard that we must protect the Japanese textile industry. I agree that it is essential for Japan to have adequate markets outside the home islands for her textile products. I do not agree that her best market is the United States. Japanese products can best be purchased by the nations of Asia and Africa, which have living standards and wage levels similar to those of Japan.

Permit me to cite a few statistics. Between 1947 and 1954, United States exports of cotton textile products dropped by more than 50 percent. In 1947 we exported 1,478.8 million square yards of cotton goods, but in 1954 we exported only 605 million square yards.

On the other hand, Japan's exports of cotton textiles rose by more than 200 percent in the same period. In 1947 Japan exported 399.2 million square yards

of cotton textiles. Last year her exports amounted to 1,296 million square yards. Surely our friends in Japan cannot charge us with having unduly restricted her trade by imposing unjust tariff rates, when Japan has multiplied her trade with other countries to such an extent.

Mr. President, the people of South Carolina and of the entire Nation are a patriotic people. I know they do not want the Senate to take any action which will endanger relations with our friends overseas or even to injure those members of the family of free nations.

However, we cannot forget the possible situation which could be created in this country by the reckless wiping out of justified regulations on foreign trade. I believe that the strength of the free world depends largely upon the strength of the economy of the United States. If we damage our domestic economy, we also endanger the freedom of many lands. This is true because the United States stands as a bulwark against the insidious tactics of the Communists—both at home and abroad.

We must remain economically strong if we are to remain sufficiently strong militarily to maintain our position of world leadership.

I do not believe that we could afford to approve any legislation without proper safeguards against imperiling the steady jobs of any segment of our population as large as the more than a million employees of the textile industry. These people are working in the plants of 26 States of this Nation. Many of them are engaged in defense production. For these reasons, I have steadfastly maintained during the consideration of H. R. 1 that certain amendments were necessary to the bill.

As I stated at the beginning of my remarks, I believe the bill as reported by the Finance Committee is an excellent one. I believe it to be a well-considered middle ground between the extremes of no tariff and of complete regulation by quotas.

I hope the bill will be approved by the Senate without further amendment.

H. R. 1: EXTENDING 1934 TRADE AGREEMENTS ACT—AN ECONOMIC YALTA

Mr. MALONE. Mr. President, H. R. 1 is an economic Yalta. It is worse than Yalta for this Nation. Yalta was simply a sellout of a friendly foreign people, while H. R. 1, extending the 1934 Trade Agreements Act for 3 years, is a sellout of American workingmen and investors, making us dependent upon foreign nations across major oceans for some of the critical materials without which we cannot fight a war or live in peace—and we could not get them during an all-out war. Yalta is history. H. R. 1 is current.

DEATH WARRANT

Yalta has long been an accomplished fact; any investigation of it could only fix responsibility.

H. R. 1, which extends the 1934 Trade Agreements Act for 3 years, signs the death warrant for American industries, workingmen and investors throughout the Nation.

H. R. 1 CONTINUES GATT

H. R. 1 provides for a continuation of the Trade Agreements Act of 1934, and, to all intents and purposes, of the General Agreement on Tariffs and Trade, commonly known as GATT. The Secretary of State, Mr. Dulles, has testified that the 1934 Trade Agreements Act, and, as amended, H. R. 1, give the President full authority to participate in GATT. The President, in 1947, proclaimed our adherence to GATT.

Now we have the spectacle of the Secretary of State promising the Senate Finance Committee that he will bring the organizational provisions of the General Agreement on Tariffs and Trade, or GATT, before the Congress.

SUBTERFUGE PREDICTED

Mr. President, I assert at this time that the bill introduced in the House will not bring the General Agreement on Tariffs and Trade to the Congress at all. What it will do will be to promote one of those subterfuges for which administrations for 22 years have been famous. It will bring before the Congress a new international agency, the Organization for Trade Cooperation, which is a reorganized GATT.

Should Congress approve Organization for Trade Cooperation—OTC—it will have approved GATT. If Congress should refuse to approve it, GATT will remain untouched. That is the situation. GATT will continue as organized in 1947.

H. R. 1 states that nothing in it shall be construed as approving GATT. That proviso has been in practically all of the extensions, but that means nothing.

PROTECTION PRINCIPLE SCUTTLED

Mr. President, what has actually been done in the whole setup is to change the centuries-old policy of protection of the investor and the workingman from competition with low-priced labor, the sweatshop labor of Europe and Asia by imposing, under article I, section 8 of the Constitution, a duty, or a tariff. Such duty or tariff was made flexible in order to equalize the difference between the cost of manufacturing products by workers enduring low-wage standards of living in the chief competitive countries, and the costs of manufacturing the same products in this country, taxes and other costs being considered. That is what the tariff, or duty, is supposed to be for, and it was so used until 1934, for practically a century.

LINCOLN'S PLATFORM FOR EQUAL TREATMENT TO ALL INDUSTRIES

What was the object of the tariff, or duty? Abraham Lincoln's platform in 1860 stated the objective. It said the purpose was the development of the industrial interests of the whole country. That is what is was for.

Congress followed that principle for a century. Then in 1934 it repealed the principle. While article I, section 8, of the Constitution makes it mandatory for Congress to regulate commerce with foreign nations, and to impose the duties, imposts, and excises, which we call tariffs, the Congress has forgotten its responsibility. In 1934 it said: "We will transfer to you, Mr. President, on your request, the right to trade any section of the domestic economy for a fancied foreign policy."

That is what the original trade agreements act said, and that is what has occurred for 22 years. Since then the economy of the United States has been geared to wars and preparation for war, and our wars are never settled. After World War I was fought to prevent war, we had two wars.

Mr. President, presumably the trade agreements law was enacted as an emergency measure to improve the trade position of this country, but today several provisions to that effect are out of the act entirely. So what does the Secretary of State say? In his testimony before the Committee on Finance he said, in effect, that he could trade any job or any investment in America for a policy in Europe or Asia. Those are not his exact words, but that is his thought. He could do that if, in the judgment of the President of the United States, it was beneficial to the United States.

Mr. President, let us make no bones about it—there is now no principle left.

FREE TRADE EQUALS FREE IMMIGRATION

The General Agreement on Tariffs and Trade, or GATT, is an economic Yalta insofar as the United States is concerned. No one can vote for free trade in this country and vote against free immigration, because if one votes to allow the products of cheap labor—50-cent and 12-hour-a-day labor in countries which produce those products with machinery which we have given them—to come into this country, without a duty to balance the difference between costs of production in low-wage-standard-of-living countries and in this country, then one cannot be against free immigration.

Mr. President, do not think there are not plenty of people in this country who are for free immigration. There is the Federal Union, which is for free trade and free immigration.

I read an article in today's Washington Post and Times Herald with a Geneva date line. Geneva is getting to be quite a place. That is where is located the headquarters for the General Agreement on Tariffs and Trade.

(At this point Mr. MALONE yielded to Mr. O'MAHONEY, who addressed the Senate. On request of Mr. MALONE, and by unanimous consent, Mr. O'MAHONEY's remarks and the colloquy which ensued were ordered to be printed in the RECORD following Mr. MALONE's speech.)

TWO APPROACHES TO DESTROY AMERICA

Mr. MALONE. Mr. President, the senior Senator from Nevada has many times stated on the floor that there are two approaches which can bring about the destruction of America. One is the political approach; the other is the economic. Yalta was one phase of the political approach begun in 1933, when President Roosevelt recognized Soviet Russia by executive agreement with Maxim Litvinov, Soviet Commissar for Foreign Affairs, without any safeguards to the United States. What we did by that action was to build a spy hideout within the boundaries of the United States. A spy headquarters, if you please, Mr. President.

So why do we complain about it? Mr. President, 12 years later the President entered into other executive agreements with Soviet Russia at Yalta. The agreements were not submitted to Congress or to the Senate for approval or rejection. The economic approach has followed a similar pattern.

YALTA PARALLEL FOUND IN TRADE ACT

The 1934 Trade Agreements Act, drafted by the State Department and requested by the President, authorized the latter to negotiate with foreign countries to cut tariffs. The President turned this authority over to the State Department and negotiations were conducted on a bilateral basis.

CONSTITUTION PLACED RESPONSIBILITY ON THE CONGRESS

Mr. President, the Constitution of the United States placed this responsibility on the Congress. Why did it place it on Congress? Because Congress represents the people of the United States of America, the people in every precinct in the United States. The Members of the Congress know what is good for this country and they know how to build the economic structure. It had been built for a century on the basis of fair and reasonable competition by adjusting tariffs so as to equalize the wages paid here and those paid in the chief competitive nation, on each product. So the Constitution placed the responsibility on the Congress.

CONGRESS THROUGH TRADE ACT AMENDED CONSTITUTION

Congress, by a simple act, amended the Constitution and transferred its responsibility to the President; the President lodged it in the hands of the State Department; and the State Department then placed it in the hands of GATT, which holds its sessions in Geneva 3,000 miles away, and conducts them on a secret basis. Prior to GATT 29 trade agreements were entered into on a bilateral basis. None of them was ever submitted to the Congress. These bilateral agreements did not come fast enough to suit the New Deal planners.

ITO INITIAL SCHEME OF GLOBAL PLANNERS

From 1943 to 1945 many bureaucratic planners were engaged in scheming up some device by which the distribution of American jobs and markets among the nations of the world might be speeded up and placed under some international agency which could apply them multilaterally or wholesale.

The first plan was to set up an international trade organization, but the planners made one mistake.

ITO DIES IN CONGRESS; GATT LIVES ON

They submitted it to Congress where the plan died in committee.

This did not stop the planners.

They also had set up a so-called General Agreement on Tariffs and Trades, or GATT, which held its first session coincidentally with the meeting to adopt an ITO or international trade organization charter.

GATT PROVISIONS DUPLICATE REJECTED ITO

GATT contained many of the same provisions as ITO, and our State Department and Treasury New Deal planners put it into operation by not submitting it to Congress.

GATT has been in operation now for 8 years and has never been submitted to Congress.

Mr. President, it will be found in the testimony of Mr. Dulles before the Committee on Finance, included in the 4 volumes of the testimony which are on the desks of Senators today, that the 1934 Trade Agreements Act gives the President all the authority he needs to further any organization such as GATT in any place in the world. So, Mr. President, the Senate committee was properly put in its place.

Members of the committee are always saying to each other that they will never approve GATT. It will never be submitted to them, Mr. President.

NEW INTERNATIONAL ORGANIZATION EMERGES

The chairman of the committee said in the hearing that if they expected to get H. R. 1 out of committee they had better bring GATT in. But instead of that, what was done? A bill was introduced to approve what? A new organization. The Organization for Trade and Cooperation. What is it? It is made up by an amendment of the rules covering the General Agreement on Tariffs and Trade. If Congress approves it—and it is in the House today—it approves GATT. If it does not approve it, GATT goes on uninterruptedly, because the President already has the authority to act, and it will never be submitted to the Congress of the United States. The trade agreements bill which was passed in 1934 gave the President all the authority he needed, and he is going to continue to use it. If we pass H. R. 1, he will still have the authority. H. R. 1 is before the Senate today, to be voted on, probably tomorrow.

The General Agreement on Tariffs and Trade has been in operation for 8 years and has never been submitted to the Congress. It never will be, Mr. President. In my opinion, the bill now introduced will not be pushed. Let it die, because it is wholly superficial and not needed.

GATT SIMILARITIES TO YALTA, POTSDAM, CITED

Mr. President, as I stated previously, GATT is our economic Yalta. As I said before, it has many similarities to Yalta, Potsdam, and Teheran.

GATT's sessions are secret. So were the political sessions.

GATT's sessions are always held in distant foreign places. So were the political huddles in Yalta, Potsdam, and Teheran.

Details of the deliberations, debates or conduct at GATT sessions have never yet been made public. Yalta is the first political session of its kind to be made public.

GATT is a sell-out of American interests to foreign countries.

Yalta was a sellout to Russia.

Where there are similarities there also are differences.

The then President of the United States attended the political huddles at Yalta, Potsdam, and Teheran, accompanied by State Department advisers, including Alger Hiss.

NATIONS AT GATT PLAY FOR UNITED STATES JACKPOT

No President has ever attended a GATT session where American interests are being sold down the river on foreign soil, but has left that to second-string State Department advisers.

At Yalta, Potsdam, and Teheran the United States had to contend with only two foreign countries trying for the jackpot.

At GATT sessions 33 foreign countries are trying for the jackpot, and we have to put up the pot.

It reminds me, Mr. President, and I so expressed myself in committee—it will be found in the record of the hearings, I think—that Yalta was just a sucker poker game. So long as we sat in the game, since we have the only markets of any consequence in the world, the game went on. If we had not sat in, the game could not have continued.

It was like a sucker poker game in any small town in America, or in any large town. When a man comes to town with a few uncashed checks or a pocket full of cash somebody persuades him that poker is a fine game, if he sits down, the game goes on. If he does not, the game breaks up. That is what happened at Yalta, where we sat in.

GATT SESSIONS PEACETIME SELLOUTS

The sellouts at Yalta and Teheran took place in wartime. Apologists for Yalta plead the urgencies and exigencies of wartime mitigate the mistakes and blunders that were made there.

The sellouts of American industries, workingmen, and investors at sessions of GATT held in Geneva, Switzerland; Annecy, France; and Torquay, England, were all in the postwar years and under conditions of relative peace in Europe.

Yalta is dead, and it is the hope of the senior Senator from Nevada that the political approach to destroy America has been halted through efforts of the present administration.

GATT, the economic approach, is very much alive, and the administration, it appears, wants it strengthened and expanded.

FOREIGN COMPETITORS EAGER FOR NEW GAINS

The enactment of H. R. 1, in my opinion, will make certain that there will be more economic Yaltas. As a matter of fact, those who favor the bill are waiting now, like a nest of birds with their mouths open, for its enactment. Then we will learn what they have been doing for the past 4 months. We do not know now.

The American workingmen, investors, and industries will be the victims of economic Yaltas, in which foreign interests and competitors will achieve all the gains.

The way to make certain that there will be no further economic Yaltas, selling out American investors and producers, is to defeat H. R. 1 on the floor of the Senate, and thus to let the Trade Agreements Act of 1934 die. I assure you, Mr. President, that its death will be unmourned.

ONLY DEFEAT OF H. R. 1 WILL ASSURE DEATH OF GATT

When the Trade Agreements Act of 1934 dies, as it will if Congress does not

pass H. R. 1, then the General Agreement on Tariffs and Trade at Geneva will die with it, as will its successor international agency, which the administration is endeavoring to set up. This new organization is merely being submitted to Congress as a smokescreen, which is not needed and whose demise will not be mourned. Its purpose is to continue the course which has been followed for 22 years.

The successor agency will be the same old GATT, General Agreement on Tariffs and Trade, with a new label. It is just like our giving the taxpayers' money to Europe. First, we gave three and three-quarter billions of dollars to England. Then came the Marshall plan, followed by ECA, which was succeeded by something else. Finally it became FOA. Whatever administration was in power simply changed the name of the agency often enough to keep the people confused; yet the assessment every year remains the same.

Mr. President, it has been a favorite New Deal device for many years to change the name of any agency which becomes too well identified for what it is, or which becomes unpopular. This helps to allay criticism or suspicion, and to blur out scandals or criticism of the past.

RECIPROCAL TRADE BRITISH CATCH PHRASE

The device which is laughingly called reciprocal trade, two words which do not appear in any act which Congress has yet passed, is simply a catchphrase framed by the bankers of London to sell free trade to the American people, so that the British can get a slice of the American economy.

Mr. R. A. Butler, the Chancellor of the Exchequer, said in 1952 that what the British wanted was trade, not aid. They wanted to get the basis of our income. They wanted to get at the basis of all the income we have, not just the income itself. That simplifies the situation.

I pinned that phrase on Mr. Butler the week after he made his statement. He is proud of it now, because he has made the President and the Congress of the United States accept it.

Thus our foreign-aid program has appeared under several different labels, without the program being changed, with only the name being changed. All that is necessary under this device is to change the name on the door and to print some new letterheads.

GATT TO BE RELABELED OTC

I regret that the present administration apparently has adopted this old New Deal device. In any event, if H. R. 1 shall be passed, we are to have the General Agreement on Tariffs and Trade under a new name and with new initials. Instead of General Agreement on Tariffs and Trade, it will be the Organization for Trade Cooperation; and instead of GATT, the initials will be OTC, which more nearly approaches the original initials, ITO, which stood for International Trade Organization.

If by some subterfuge the proponents of the plan can get Congress to approve it, that will be fine for them. But they do not need it, because Congress has made it plain that in the original Trade Agreements Act it gave to the President the authority he needed to set up GATT, or the General Agreement on Tariffs and Trade.

It is my belief that the Senators and Representatives were misled; that they did not know what was going on. But the people behind the plan knew. Who were the people behind it? They were the Alger Hiss and Harry Dexter White crowd. They knew what they were doing when the Treasury and State Departments, in 1934, recommended the Trade Agreements Act. They deliberately placed the responsibility in the hands of the Executive to do what he has done. They knew what would happen. So it is time that Congress learned all about what has happened.

TRADE ACT SOLD AS 1934 EMERGENCY MEASURE

Mr. President, this is to be the same bad package, but having a different label. If H. R. 1 shall not be passed, then we shall have neither the package labeled as GATT nor the one labeled OTC, and we shall have no further economic Yaltas. All that is necessary is to sit still and not pass any bill of this nature; then there will be no more economic Yaltas. The remedy is as simple as that.

To recapitulate, Congress, in 1934, passed the Trade Agreements Act as an emergency measure, delegating to the President the powers of Congress under article 1, section 8, to lay and collect duties or tariffs and to regulate foreign commerce.

The Constitution placed those powers in the hands of Congress definitely, for reasons which appear in the debates of that time, because the Members of Congress represent all parts of the United States and all its people. The President has turned those powers over to the State Department. That is now well known.

THIRTY-THREE NATIONS HAVE EQUAL VOICE TO THAT OF UNITED STATES IN GATT

The State Department, to all intents and purposes, has turned over the powers to an international agency operating on foreign soil, known as General Agreement on Tariffs and Trade, in which 33 nations have a voice and voting power equal to our own.

Mr. President, some 55,000 trade concessions have been negotiated by GATT during its 8 years of existence, a great number of them, of course, affecting our import duties and foreign commerce. Not one of them has ever come before Congress, or the Senate, for approval or ratification.

H. R. 1 will continue this operation, or more properly permit the State Department to continue it, either as GATT or under a new label.

All the tariff cuts or concessions negotiated under GATT will remain in force, just as they are now, if H. R. 1 shall be enacted.

GATT A ONE-WORLD SCHEME TO DIVIDE OUR MARKETS

The State Department prefers the new label to GATT, doubtless for the reason that GATT has been stripped of its protective mask and coloring and stands before the public, at long last, for what it is—a one-world scheme to divide our markets with 33 foreign competitors, and to curb our economy and progress.

In each of our trade treaties, there is what is called the "most favored nation" clause, which means that any concession made to any nation is available to all. That is another fake end run.

NEW COMMITMENTS MADE IN LATEST GATT GO-AROUND

GATT has been meeting in Geneva, Switzerland, for the past 2 months, establishing more agreements on tariffs and quotas on a multilateral, 34-nation basis, and these agreements are being made public in a second document.

The second document, containing the provisions which will affect American business, industry, investors, and workingmen, will not be submitted to Congress. Instead the provisions will be treated as an executive agreement which under the State Departments interpretation, do not need to be brought before the Congress any more than the Potsdam, Teheran, or Yalta agreements had to be brought before Congress under the interpretation of that administration.

CONSTITUTIONALITY OF GATT CHALLENGED IN COURTS

The position of the State Department is that the President has the power to keep such important information from the Congress under the Trade Agreements Act.

This raises a constitutional question, of course, and I am happy that at the present time an American industry, stricken by GATT and the Trade Act, has had the courage to raise this question in the courts.

If the plaintiff in this case, the Glassware Guild, Inc., of Morgantown, W. Va., is correct that the Trade Act and delegation of powers to GATT are unconstitutional, then the administration is acting illegally in not submitting the new concessions made to foreign countries to the Congress.

Mr. President, I will say now that whether it is unconstitutional or not, it is unwise, and it is a deliberate sellout of the American workingman and the American investor.

If the administration is correct and is not acting illegally, then we have reached a point where one man through his agents controls the duties or tariffs, the regulations of foreign commerce, and, in effect, the economy of the United States.

CONSTITUTION PREVENTS ONE-MAN RULE, DISCRIMINATION

At that point, Mr. President, let me say it is not a question of trusting the President of the United States. I trust the President of the United States. I was one of his supporters in 1952, and I shall be again in 1956, if he runs for reelection. But the Constitution of the United States does not trust anybody, Mr. President. The great men who wrote the Constitution of the United States did not trust themselves in writing it. They wrote the Constitution so that they themselves would be bound by it, and they put into the Constitution of the United States what is necessary to prevent a one-man or a one-group government, or discrimination against one group in favor of another.

But what did Congress do? By simple act Congress in 1934 amended the Constitution and tied the regulation of the domestic economy and the regulation of foreign trade to the fixing of foreign policy. They are so tied today. The Constitution of the United States pointedly separates the two, for the very purpose of making sure that the President of the United States could not trade a segment of the national economy for a fancied foreign preferment. Yet that is what the President can do today.

GOVERNMENT BY EXECUTIVE AGREEMENT

Mr. President, we have then arrived at government by executive agreement, entered into with or without the consent of Congress, and have effectively repealed article I, section 8, of the Constitution without an amendment proposed by Congress or ratified by three-fourths of the States as required by the Constitution.

Mr. President, George Washington warned us, in his Farewell Address, that only the people must have power to amend the Constitution of the United States; that while a violation of that Constitution in one instance might be helpful, it would be the opening wedge for foreign governments to control the United States of America and to destroy our free people.

Of course, Washington was right about that, but in the past two decades we have witnessed what might be called a sort of mental aberration. Whenever a group that was strong enough wished to have a certain law enacted, certain persons would say, "No matter whether it is constitutional or not, let us pass the bill."

SENATE WORLD'S LAST OPEN FORUM

Mr. President, on the Senate floor we have witnessed Senators advocating a rule for the operation of the United States Senate whereby a majority on the floor at any time could stop debate. This is the last open forum in the world today. The House of Representatives is not an open forum. The House can stop debate by a simple majority, and it does. One or two minutes of speaking is considered a long enough time for a Representative. He then puts his talk into the RECORD, and that is the end of it.

If that is the kind of government we are arriving at, then the advocates of the pending proposal are right. We might just as well stop debate at any time, and put everything in the hands of the President, and forget it.

Mr. President, I wish to call attention at this time to the fact that Mr. Hitler never violated any rule or law of the Reichstag. Always, they prepared the way for him ahead of time, just as the Congress of the United States has done for 22 years. Practically the only power remaining to the Congress is the setting of the tax rate. It does not have much to do with appropriations, except adjusting them perhaps 5 percent either way.

INTEREST ON NATIONAL DEBT EXCEEDS COST OF GOVERNMENT WHEN TRADE ACT ADOPTED

Mr. President, today the interest on the national debt, $7 billion a year, is twice as much as it took to operate the entire Government for a year 22 years ago; and the end is not yet.

Mr. President, the powers of Congress to regulate foreign commerce and lay duties and tariffs will be in the hands of an international trade monstrosity—indeed, they are now in the hands of an international trade monstrosity—before which Americans may not appear and to which American industries, workingmen, and investors cannot appeal.

FARMERS NEXT TARGET OF GLOBAL MANIPULATORS

Farmers, too, if we read the trade deal correctly, will be an early target of the global free trade agency, as will producers of milk, butter, cheese, and other farm commodities.

If they are to escape an economic Yalta, H. R. 1 must be rejected. Then the presumed authority of the State Department to turn over our markets and our foreign commerce to an international trade organization no longer will exist, even in the presumption.

Let me say, Mr. President, if H. R. 1 does not pass the Senate of the United States, then every product as to which there is not a trade agreement already made will revert immediately to the Tariff Commission, where duties will be set thereon on the basis of fair and reasonable competition. Due attention will be paid to the costs of doing business in this Nation and those in the chief competitive nation, and on that basis a flexible import fee, tariff, or "duty," as the Constitution calls it, will be fixed. The Tariff Commission could then, at any time, on its own motion, or on request of committees of Congress, the President, or a producer, reconsider the tariff and keep it flexible.

If the bill does not pass, the General Agreements on Tariffs and Trade will be out of the picture, but all the trade agreements already made will remain in full force and effect until the President cancels them. He would do this by giving notice to the country with which the trade agreement has been made.

REJECTION OF H. R. 1 WOULD AID INVESTORS, INDUSTRIES

Investors in America would then be back in business, competing with each other, because a flexible duty or tariff will be fixed on competing products to make up the differential between costs of doing business in a low cost, chief competitive nation and costs of doing business in this country.

REJECTION OF H. R. 1

Mr. President, this would be good news to the stricken industries throughout the land forced out of business or being forced out of operation by floods of imports which are being welcomed to our shores by our State Department.

It would be good news to the 3 million or more unemployed, and to the distressed cities, towns, and villages where they are unemployed and subsisting on doles and surplus food handouts.

Again, as in the first 150 years of our national life, the hurt and injured could appeal to their own representatives in Congress, who know the needs of their own States or congressional districts better than does any official in the State Department.

DEFEAT OF H. R. 1 WOULD RESTORE RIGHTS UNDER CONSTITUTION

The victims of the misguided free-trade policies of recent years again could utilize their right of petition and their rights of property guaranteed them under the Constitution.

They could exercise these rights with some hope of sympathy and help if their cause had merit—rights denied to them today.

Mr. President, I have great sympathy for the score of witnesses who appeared before the Senate Finance Committee during its hearings on House bill 1, and there pleaded for their right to live and to work and to produce for the United States of America.

Not one witness who appeared before the committee said he wanted any advantage over any foreign country in his own American markets. All that the witnesses requested, under cross-examination—and the printed volumes of testimony will so subscribe—was equal access to their own American markets. That is what they wanted, and only then in the case of imports of commodities of which we produce a substantial amount.

Sixty percent of the imports into our Nation do not have a tariff or duty, and never have had. All that was ever requested by any of those witnesses was a duty or a tariff which would represent the differential between the wages, standard of living, taxes, and cost of doing business in the United States and the comparative standards in the chief competitive nations, in the case of their particular products.

Mr. President, I know that to be so. I have witnessed for 9 long years the procedure of Senators and Representatives submitting proposed amendments to save industries in their own States, and then voting in favor of free trade as regards the industries of all the other States. In other words, they were willing to have all the others washed down the drain; they were favoring only the particular industries of their own States. Thereafter, when such a Member of Congress is not able to get the Congress to adopt the amendment he favors, he can notify all his constituents that he tried to protect them, and is in favor of the principle.

AMENDMENTS FUTILE SO LONG AS ADMINISTRATION BY EXECUTIVE

It does not matter what amendment is included in the bill, for so long as the administration of the bill is in the hands of the Executive and the State Department the industries of the United States will be subject to the same indignities and the same trades which have gone on for 22 long years, and which for the last several years have been accomplished through international GATT 3,000 miles away from the seat of our Government.

Mr. President, I have great sympathy also for the scores of witnesses who, for a like reason and in a like manner, testified before the House Ways and Means Committee.

CONGRESS LAST HOPE OF FREE-TRADE VICTIMS

Those witnesses appeared there to plead for their own industries. They did

that as a last resort. Congress is their last hope.

The 96 Members of the Senate and the 435 Members of the House of Representatives, coming from the 48 States, are the last hope of those witnesses and their industries. But unless the Members of Congress have the intestinal fortitude to exercise their constitutional responsibility, Congress will amount to nothing, Congress will not stand between those industries and bankruptcy. Instead, Congress will be causing their bankruptcy.

Those witnesses came to Washington at their own expense, to plead for the right to exist economically on an equal basis with their foreign competitors.

Those witnesses did not request any advantage. They asked only for equal access to their own American markets. In other words, those witnesses were willing to have foreign nations given opportunities which no foreign nation will agree to give the United States of America.

Mr. President, the United States of America is the only nation on earth, to my certain knowledge, that breeds people who are not in favor of their own nation.

Mr. President, I admire the English people; I do so on two counts, at least: First, they have brains; second, they are in favor of England.

BRITAIN'S EMPIRE PREFERENCE RATES UPHELD BY GATT

Mr. President, if an attempt were made to export to one of the British possessions any commodity the importation of which would not be for the best interests of the British Empire or Commonwealth of Nations, I should like to see just how far the attempt would go.

The British have the empire preferential rate, which GATT, the General Agreement on Tariffs and Trade, recognizes. As a result, it would not be possible for any American to trade on an equal basis with Britain in any one of the empire nations. That is recognized as axiomatic, because the British will not do business in any other way; and I admire them for it.

UNEMPLOYED CANNOT AFFORD TO COME TO WASHINGTON TO PLEAD THEIR CAUSE

Mr. President, when one considers the scores of witnesses who, at considerable expense, came to Washington to appear before our committees, one might well consider the hundreds of thousands of persons who could not afford to go to that expense, however desperate their need.

The unemployed textile workers of New England of the Mid-Atlantic States and of the South could not afford to come to Washington to appear before our committees.

The unemployed coal miners of Pennsylvania, West Virginia, Kentucky, Indiana, and Illinois could not afford to come to Washington.

The jobless lead and zinc miners of the West could not afford to come to Washington, nor could the workers in the hundreds of other industries which are suffering from import competition—unless a new Coxey's Army, backed by the money of some philanthropist, should spontaneously arise. The situation could ultimately come to that, too, Mr. President.

But during the hearings enough injured industries did manage to finance representation in Washington to make a remarkable showing in behalf of American industry, American workingmen, and American investors.

TRADE ACT AIM NOW TO AID OTHER NATIONS, NOT UNITED STATES

Mr. President, although the Trade Agreements Act was passed in 1934, avowedly as an emergency act to improve the economy of the Nation, frankly, it has since been changed so that now it is a measure to help other nations. Those who favor the act say to us, "Japan is liable to go Communist unless we let the Japanese have the textile markets of the United States. Europe is likely to go Communist unless we let Europe have the mineral markets of the United States and the crockery markets of the United States, and unless we let Germany and Japan have the sewing-machine market of the United States, and also the chemical market, and also all the other markets the 5,000 products of our Nation create.

ECONOMIC STRUCTURE OF NATION BASED ON HOME MARKETS

Mr. President, the economic structure of our Nation is based on the markets our people have built up over a period of 175 years. We have been "sold a bill of goods" by the catch phrases, invented by the London bankers, that we should give away our markets, which are the source of our income, and that the more markets we give away, the richer we shall be.

Some time ago we had an example of such a "sale" to the United States, when Lord Keynes, of England, came to the United States and "sold" the President of the United States upon the theory that the more we owe, the richer is our Nation. I guess our President at that time was not very hard to "sell," because he needed a little more money to keep up appearances and to "keep prosperity rolling." But now both of them are dead, and our Nation had a debt of $275 billion, which requires $8 billion a year to finance. But they said, "The greater the debt, the richer the nation is."

Mr. President, I tried that on a banker, 25 years ago; and he cured me permanently of believing in anything of that sort.

But now we have the debt, although both Lord Keynes and the then President of the United States have passed away. Today we know better than that; but now we come to the basis of our income, namely, the markets of the United States, which have been built up over a period of 175 years. The representatives of foreign nations say to us, "We do not want your money; we merely want the basis of your wealth, the markets from which you make your money. That is what we want."

Mr. President, that is what it is proposed that we give to them, by means of extending the Trade Agreements Act.

Mr. Butler, of Britain, used the catch phrase of "trade, not aid." The London bankers have used the catch phrase "reciprocal trade." For 22 years the advocates of this measure have been using such catch words, to which I referred a short time ago during the course of my remarks; and by using those catch words and phrases, the representatives of the nations which are our principal competitors have been able to "sell" their notions to the people of the United States, who could not interpret or understand those catch words and phrases. And all the time the people of the United States were selling more bonds, and were buying them with their own money.

ONLY CONGRESS GIVES SYMPATHETIC EAR TO PLIGHT OF AMERICAN INDUSTRIES

Mr. President, the representatives of many American industries have been heard by Congress. Congress is the only place where they can obtain a sympathetic or objective ear. They cannot be heard by the State Department. Mr. Dulles, the Secretary of State, is carrying on exactly what the Secretary of State preceding him started. When Mr. Dulles appeared before the committee, he said—and he said it "cold turkey"—that he could trade any jobs or any investment in the United States for a foreign policy which in the judgment of the United States was of an overall benefit to this country. The Congress of the United States would not have the guts to do that, but it can transfer to someone else its constitutional responsibility to do it. That is what will be done tomorrow, if the pending bill is passed.

Mr. President, it is certain that American workingmen and investors could not have received a hearing at Geneva, Switzerland, where the General Agreement on Tariffs and Trade meetings have been held in secret, with second, third, or fourth echelon officials from the State Department vieing with the smartest economic experts of 33 foreign nations. These are the same second, third, fourth, and fifth echelon officials who have been in charge for some time, some of them for 20 years. They have not changed.

AMERICAN ECONOMIC EXPERTS OUTSMARTED BY FOREIGNERS FOR 20 YEARS

I digress to point out that the economic experts of foreign nations are smart. As proof of that, they have been outsmarting our own delegates in trade and commerce negotiations for 20 years—8 of those years under the General Agreement on Tariffs and Trade.

The empire-minded nations of Europe—England, France, Belgium, the Netherlands, and some others which have passed in review during the past 150 or 300 years—have been living by their wits on trade throughout the world. How did they do it? Through colonial slavery.

So long as the fleet of Great Britain dominated the world, the Malayan States, Indochina, the African States, and others elsewhere in the world dared not stage an uprising. What was the rule of the colonial slavery nations? They held the price of raw materials down, bought them and sent them to their own nations in Europe, manufactured the products, and forced the slave nations to buy through the Empire preferential-rate system.

COLONIAL SYSTEM DEAD

The Empire system is gone. The colonial slavery idea is as dead as Julius Caesar. Everyone will know, in 6 months or a year, that they are gone. The system was broken first in World War I, and destroyed utterly in World War II, because of the dominance of the airplane and the advent of improved transportation and communications systems, including radio. The slave nations found out for the first time what was happening to them.

What happened in Indochina, one of the colonial slaves for hundreds of years? We were for France. We signed the Atlantic Compact, and we guaranteed the integrity of the colonial slavery system throughout the world, so we were in favor of helping France hold that colonial system. Not a single Indochinese was with us or with France. They did not know very much about communism, but they knew all about colonial slavery, and they were not having any more of it.

AMERICAN MARKETS BEING DIVIDED AMONG FOREIGN NATIONS

It is time to sit down, in the cool of the evening, and take a look at what is happening throughout the world. We are dividing our markets with other nations and trying to hold colonial-slave nations in bondage to the empire-minded nations.

The representatives from most of the foreign governments are experienced and trained in the field of trade. Our own delegates are untrained and inexperienced. Certain foreign nations have lived by their wits for 300 years in international trade.

If I may digress, sometimes I suspect that one reason our State Department officials prefer to have the international general agreement on tariffs and trade sessions held in Europe is that they suffer from an inferiority complex. They fear that they would suffer by comparison if they carried out their chores where Americans might observe them. The reason is ignorance of what they are doing, or worse. Either that or they do not want to be annoyed by mere American producers appealing for the economic life which those officials seem so eager to forfeit.

STATE DEPARTMENT CONTEMPTUOUS OF CONGRESS

The evidence in the volumes of testimony before the Senate Finance Committee will show that the State Department holds the Congress in utter contempt; and well it might. Why should it not hold the Congress in contempt? Everything the Department sends here is passed almost without debate.

As I have said before, Mr. Hitler never violated a rule or law of the Reichstag. They beat him to it. They passed what he wanted before he was ready to announce it; and when he was ready to put them out of business and stop their pay, they passed that measure, too. The Congress of the United States may not be so far from that situation as some of the very dignified Members who have been voting for this and other delegations of constitutional responsibility of Congress to the Executive may think.

These things come one at a time. It is easy to shrug off responsibility. We must face the people at home, no matter how we vote.

TARIFF ADJUSTMENTS SHOULD BE MADE AT HOME AND BY CONGRESS

In any event, Mr. President, there will be no more General Agreement on Tariffs and Trade sessions, either under that name or any other name, if the Congress rejects House bill 1 and permits the Trade Agreements Act to expire at midnight on June 12, 1955. Such economic adjustments as may be needed will then be made here at home, and by the elected Representatives of the people, as provided in the Constitution, instead of being juggled among the diplomats of 33 foreign nations.

This is as it should be, and as was intended by the Constitution of the United States. The diplomats of 33 foreign nations will no longer have the job of readjusting our economy to fit their pocketbooks, or of setting fuses to crack our markets open to their own low wage, low-taxed products.

Mr. President, I have heard even some Senators who came before our committee say: "We must pass this bill in order to avoid going back to logrolling tactics." We got away from logrolling tactics 26 years ago.

1930 ACT BASED ON FAIR AND REASONABLE COMPETITION

The 1930 Tariff Act placed the administration of tariffs in the hands of the Tariff Commission. Congress authorized the Commission to fix tariffs on the basis of fair and reasonable competition. The Congress itself never got close to the problem. All anyone could do was to appear before the Tariff Commission, as everyone else was required to do. However, the principle was established as to how tariffs were to be fixed. They were to be based upon the difference in cost of production.

The Interstate Commerce Commission was created by Congress when freight rates on various railroads were different for important shippers. What did the Congress do? It said to the Interstate Commerce Commission, "You fix freight rates uniformly on the basis of a reasonable return on the investment of principal." Likewise, the 1930 tariff law said to the Tariff Commission, "You establish tariffs, or recommend tariffs, on the basis of the difference in cost of production."

Congress did not say, "You can trade Montana or New Mexico for New York." It did not say, "You can trade the producing industries of the South and West to a group of waterfront brokers in New York or somewhere else." In effect, that is what the pending bill says, and that is what we would be doing if we should pass it. If we should not pass it in all probability the diplomats would then be out of a job, rather than the hundreds of thousands of unemployed Americans in industries blighted by foreign imports.

GATT ENDS WHEN UNITED STATES MARKETS NO LONGER IN POT

We may be sure that if the 1934 Trade Agreements Act is permitted to expire, the General Agreement on Tariffs and Trade will be finished. That applies also to the OTC—the Organization for Trade Cooperation—or whatever the State Department wishes to call it. The General Agreement on Tariffs and Trade will be finished, because our markets will no longer be in the jackpot. If we do not sit in the sucker game, there will be no game.

ITO HISTORY RECALLED

Earlier in my remarks, Mr. President, I mentioned the International Trade Organization, or ITO, which was set up by the so-called Habana charter in 1948.

This was another scheme to divide American markets with the world while denying world markets to Americans.

Fifty-two nations signed up for that one.

They were all very enthusiastic about it at the outset, too, I am told.

Uncle Sam was to be the banker, and they were all there with red stockings or little baskets.

But then our State Department made the mistake I discussed earlier; it submitted ITO to the Congress, and Congress sat on it.

When that happened, did the 51 other nations go ahead with their big plans for ITO? They did not. There were no markets, no trade plums in the pot, so it died aborning.

Unless Uncle Sam plays the sucker with his markets and his bankroll there is no game, and the other countries pick up their chips and go home.

What happened to ITO will happen to GATT, too, when Congress permits the Trade Agreements Act to expire, as I hope it will, on June 12 of this year.

There will be no game or GATT if H. R. 1 is rejected, because our money will not be in the pot.

Many times during the past 8 years the senior Senator from Nevada has urged that there be set up a United States of Europe, in which there would be a pot of markets and production.

Mr. President, the European nations will not trade with each other so long as our fat market is in the pot. They all get a piece of the United States market.

NEW TARIFF CUTS SOUGHT TO SWEETEN FOREIGN POT

We are the pot if we extend the act, and it is to sweeten the pot that new tariff cutting authority is asked.

The original act gave the President power to cut tariffs 50 percent, a power executed to all effects by the State Department. The foreign countries cleaned that pot.

Then an extension act was passed granting the President authority to cut the tariffs that were left 50 percent, making 75 percent in all.

That pot is about cleaned out, too. On the overall, tariffs have been reduced 68 percent.

INFLATION LOWERS TARIFFS, WAGES

I wish to mention at this point that inflation is as effective in lowering duties or tariffs as an actual lowering of them. We have an admitted inflation of more than 50 percent. I believe the actual figure is about 65 percent. In other words, we have a dollar which is worth about 35 percent of what it was worth in

1934. However, whatever the percentage may be, we have cut the fixed duties by that amount, and in that way lowered wages by that amount, too, I might say. An effective way to lower wages is to increase wages by 10 percent and to have a 20-percent inflation. In that way the person who raises the wages can go home and grin at the employee. However, it works both ways, and eventually everything catches up, and that is what is about to happen today.

With only a 7-percent margin left in the pot, it is only natural that we be asked to sweeten the margin, which is done in H. R. 1. H. R. 1 would empower the President to chip in another 15 percent tariff cut on some items, spread over a 3-year period, and to cut tariffs on other items as much as 50 percent.

This would make the pot interesting enough for the foreign nations in GATT to remain in the game 3 more years, cleaning Uncle Sam out of his markets further.

H. R. 1 is a bad bill that would sell out more American rights and interests than Yalta.

OWE LOYALTY TO OWN WORKERS AND INVESTORS

I have often stated that all Yalta did was to sell out foreign countries. This bill would sell out the workingmen and the investors of the United States. Even if we are not loyal to anyone else, at least we ought to be loyal to ourselves.

Mr. President, I have listened to the reading of letters before committees in the Senate and in the House, and I have listened to assurances to the effect that the President would not hurt any industry. Of course he would not hurt any industry knowingly.

However, it is impossible for one man's mind to encompass all the economic factors which go to make up the economic system of the United States. It is like a boy throwing a rock into a lake or rocking a boat in the bushes to scare up a duck that he did not even know was there. No man's mind can encompass this subject, and no group of minds can, either. It must be considered on the basis of principle. In that way all investors and companies and workingmen and everybody else interested in the subject can mesh production. If the law is based on a principle, they know what the law is. It is like the workings of the ICC, when it makes a ruling on freight rates based on a reasonable return on investment. If the Tariff Commission makes a ruling on the basis of fair and reasonable competition everybody knows what that means.

Nowhere in the Constitution or in any law passed by Congress up to 1934 will Senators find permission given anyone to trade one sector of the country for another or one economy for another, or one industry for another. The 1934 Trade Agreements Act allows the President to do it. It is not the President who does it, as everybody knows, but it is the State Department, which has been internationally minded for 22 years.

H. R. 1 OFFERS NEITHER HOPE OR ASSURANCE TO AMERICAN PRODUCERS

There is not one word of assurance, sympathy, or hope in this bill for the American workingman. I am talking about effect of the bill, not about lip service to the workers.

In this bill there is not one word of hope or assurance for the investor in American free enterprise.

There is not one word in this bill that says that any American's job in America will be protected.

There is not one word in the bill that says any American market will be protected from suffocation by foreign imports.

We have had the spectacle of a large producer, who has built plants in foreign countries and has used his investment there to bring into this country material which he has produced cheaper than it could be produced in the United States, saying, "We believe we should be the judge of how large imports into the United States shall be and how much shall be produced in the United States of America."

Under cross-examination by the senior Senator from Nevada, who asked if he would advocate that policy for all other products, he became a little pink around the collar and stuttered. He did not say he would advocate it for all other products, but only for his own. It would certainly be a spectacle if every producer in America who also is a foreign producer of the commodity could have it left to him to say how much he would produce in America and how much in a foreign country, and how much of his production he would bring into this country in future years. He could say to the domestic producers, "We do not need your production," and then increase foreign production until whatever competition was encountered in this country had ceased to exist.

H. R. 1 BANKERS AND WATERFRONT BROKERS BILL

This is a bill for international bankers, export industries and waterfront brokers who take an override on everything that goes out or comes in to our ports.

That is what we have traded for our producers in Montana, New Mexico, Nevada, and Pennsylvania. We have traded our producing industry for a group of waterfront brokers. That is what we have done. Tomorrow will be the test of whether we continue to do it.

This is a bill to protect money invested in foreign countries instead of in America. It is a bill to further the exploitation of cheap foreign labor while increasing unemployment, economic distress, and mine and factory closures here at home.

There is another bill before the Committee on Finance, a very interesting bill, which proposes that we reduce the income tax by 14 points on foreign-produced income.

In other words, it seeks to get the money out of this country and into foreign countries so as to help employment in foreign countries, in direct competition with our own.

A DEATH-SENTENCE BILL

The bill is a living threat to our wage and living standards and a death sentence to American industries across the land who prefer to produce in America for America than move their factories to a foreign land.

Mr. President, it is amazing, to me, that after 22 years of operation of such legislation as this the people of the United States and the Members of the Senate and the House do not understand that by a slight change in a tariff or an income-tax law we can change the course of production overnight.

Mr. President before the committee a statement was made which should explain how it works. It was stated that fluorspar is a very important national defense article the producers of which are being put out of business because of imports from Mexico and Canada. That is absolutely correct. But what is putting it out of business? The tariff or duty was approximately $8 a unit on low-grade fluorspar. On high-grade fluorspar it was $2.40. But up to that time there had been no high-grade fluorspar coming in. The man representing the industry in Mexico and Canada wrote those figures into the bill and went home, and now we are bringing in ore up to 97 percent and shutting down the mines in Illinois and Kentucky. Representatives of those States have appeared before the committee with reference to that matter.

MISTAKES STAND FOR 3 YEARS IF H. R. 1 ENACTED

There are thousands of things that can be written into a tariff bill or into a multilateral trade agreement that will be in effect for 3 years. If we left it to the Tariff Commission, which is an agency of the Congress, it could be handled properly. If the Commission made a mistake tomorrow, it could be corrected.

In Geneva, 3,000 miles away, our life is being sucked away, and we do not seem to know it, half the time. But many of the representatives of the State Department who appeared before the committee as advisers believe such a process is safe. They believe America will get rich if it can divide its markets with every other nation.

There is not one word in this bill to safeguard the interest of any American employed in domestic industry or whose dollars are invested in America.

It is because, Mr. President, there is not a single word of assurance, sympathy, or hope in this bill, that proponents have felt it necessary to make so many verbal promises about how carefully it will be administered.

No man or group of men has the ability to analyze the number of factors involved. One plank can be pulled out, and the whole structure will come down. How can an American, trying to promote an industry, such as construction, manufacturing, or mining, say, "Look, I can compete with all the firms in this business and make some money"? How can he send agents all over the world and know what he can do in competition with the cheap labor involved? How can he do it? He cannot do it, and therefore he cannot get the investment to put into the business. It effectively stops new investment in industries in the United States of America.

We have a plethora of verbal assurances, Mr. President, but none of them are in this bill.

They will be found in an amendment I am offering to this bill, but they are not in H. R. 1.

No administration spokesman coming before the Senate Finance Committee, of which I am a member, or before the House Ways and Means Committee, has offered to include any assurances of any kind to our domestic producers or to American investors and workingmen.

ADMISSION INDUSTRIES WILL BE HURT MADE BY SECRETARY OF STATE

Mr. Dulles, our Secretary of State, has very frankly admitted that American industries will be hurt, be injured, but he, too, proposes no specific safeguards to the administration bill.

The administration policy, on the other hand, has been to oppose such safeguards with all the vigor at its command, and it has been very vigorous in its opposition to any safeguards whatsoever.

Mr. President, may I repeat, there is not one word of assurance, sympathy, or hope in the administration bill for any American producing for the American market or any American investor who has risked his money in producing for this market.

It is a weakness, a fatal weakness in my opinion, which I am sure the administration recognizes.

If the administration does not recognize it then why, may I ask, did the President of the United States feel impelled to write his letter of February 17 to Speaker JOE MARTIN.

In that letter he sought to give the assurances which the bill, itself, so obviously lacks. He said in part:

> Obviously, it would ill serve our Nation's interest to undermine American industry or to take steps which would lower the high wages received by our workingmen and women. Repeatedly I have emphasized that our own country's economic strength is a pillar of freedom everywhere in the world. This program, therefore, must be and will be administered to the benefit of the Nation's economic strength and not to its detriment. No American industry will be placed in jeopardy by the administration of this measure.

Mr. President, those are fine words, and I am sure that the President means them. But they are not in the bill, and the principle is not in the bill.

AMERICAN INTERESTS SACRIFICED ON ONE-WORLD ALTAR

Mr. President, I repeat that no man and no group of men can possibly analyze the economic factors which must mesh in order to make our economic structure work. Many Americans already have been injured by the operation of this act. The President has later said they will not be injured. Of course they will be injured. One of the worst features of the 1934 act was the taking away of the insurance policy, the principle of fair and reasonable competition, because now there is no assurance that a workingman or an investor or a businessman may not be sacrificed tomorrow on the altar of one economic world.

THE RUSSIAN POLICY

The State Department has asked for money to move such persons elsewhere, so that they may be able to have work. That is the Russian policy. That is the way it is done in Russia. We are given to understand that the Russians are the enemy of our system. Why are we adopting theirs? That I should like to know.

All that any witness representing American industry who appeared before the Committee on Finance asked for was equal access to his own American markets. He did not ask for an advantage.

There is no principle of fair and reasonable competition in H. R. 1 to give American producers equal access to American markets with American goods when they are faced with a flood of low-wage, low-tax, foreign-produced imports.

I am certain that the President has the highest motives and that he will act in accordance with these motives in the light of information placed before him by the White House advisers.

But, in my opinion, the White House advisers have grievously misinformed or misadvised the President in the past on matters such as these, and I have little expectation that these advisers will change their colors unless we spell the President's assurances into language in the bill, as was done in section 336 of the Tariff Act of 1930.

The record of the action taken in escape-clause cases, cases in which the Tariff Commission, after extensive studies, recommended relief to stricken industry, is proof sufficient, in my opinion, that the President in times past has been woefully misadvised by his advisers, particularly the advisers from the State Department.

PRESIDENT'S ASSURANCES SHOULD BE INCORPORATED IN BILL

Nevertheless, I applaud the President's assurances, and it would be a very easy matter to include them in H. R. 1, together with the principle under which the assurances would be made more certain and effective.

No language, however, could give complete assurance to any American so long as our foreign trade and tariff policy seems to be governed and directed through, by, and for GATT and its 33 foreign participating nations.

So long as this matter is left within the control of the State Department—a one-economic-world-minded State Department—there will never be any justice for the workingmen or the investors of the United States.

Let this act expire.

Let us return to the Constitution of the United States.

Let the power be exercised as the Constitution directs it shall be exercised.

Even if the language of the devisers of the act has been clever enough to make constitutional—which I doubt—the action of transferring the constitutional responsibility of Congress, the legislative branch, to the Executive, the President, I think it would be unwise to allow it to be done, because to do so would be to trade principle for executive decision; and that is what is being traded.

TRADE PROGRAM NO CURE FOR UNEMPLOYMENT

So we hold our economy together by what? By wars and preparations for wars. The water never settles. It has never settled since the Trade Agreements Act was first passed. The unemployment situation in the United States was not cured from 1934 until 1941, when the Second World War began in Europe. After that war, the United States, accumulated about 5 million unemployed and partially unemployed until 1950, when another war came along. That was a war which we could not win and could not lose. We were engaged in perpetual war for perpetual peace. But war kept out of the country the boys who might be looking for jobs. That is a poor way to prevent unemployment.

When war came in 1941, there were 9 million unemployed and about 17 million partially unemployed. Let Senators look at the record, if they doubt what I am saying. But in 1941 American boys were on their way all over the world. About 10 or 12 million of them were in the Armed Forces. So the unemployment situation of that day was cured.

Never since 1934 has the unemployment situation been alleviated one iota by the Trade Agreements Act. Since that time we have had government by emergency.

Now we are again preparing for war. In our manufacturing centers we are producing obsolete equipment for the next war, and are sending much of it to Europe, where it is being placed in warehouses from which it will never come out. We are afraid to stop such a program for fear of unemployment.

GATT POWERS NEVER OBTAINED FROM CONGRESS

There are many, Mr. President, who insist that during the past 8 years of its operation, GATT has far exceeded and supersded the powers a new deal Congress sought to grant in the 1934 Trade Agreements Act.

Congress has not, of course, ever granted to GATT, any powers express or implied.

It has never recognized GATT, nor has GATT been considered in any legislation.

The powers that Congress delegated, or sought to delegate, were delegated to the President, who transferred them to the State Department, which transferred them to GATT with the approval of the previous President.

Many attorneys have expressed doubt that the State Department had the right to do this with or without the presidential consent, but the State Department claims it had that right by reason of the Trade Agreements Act.

TRADE ACT INTERPRETED TO FIT STATE DEPARTMENT'S PURPOSE

I have read and reread the act many times, but nowhere do I find that the act, in delegating its responsibilities to the President, authorized him to delegate them to somebody else, who in turn could delegate them to an international agency which meets only periodically, always in secret, and always on foreign soil.

In the light of the record, the senior Senator from Nevada must regretfully state that, in his opinion, whatever the language of any trade act Congress may pass, whatever the provisions or however carefully it is written, the State Department will seek some way to interpret, warp, or twist it in a manner to meet the State Department's purposes.

And that means the State Department's free-trade purposes, which is the only purpose and objective that it espouses.

If 25 years ago a Secretary of State had said what the present Secretary of State said before the Committee on Finance, I think he would have been impeached.

The Secretary of State said that what he wanted, what he had to have, was the authority to trade any jobs or investments in America for political considerations in Europe, if, in the opinion of the President, to do so would benefit the overall position of the United States.

STATE DEPARTMENT IGNORES INDUSTRY, WORKINGMAN

Mr. President, I must regretfully state that, in my opinion, the State Department has never done anything, has never made one move, to protect American workingmen and American investors. What happens to American industry is no concern of the State Department.

The State Department is not concerned with what may happen to any American workingman in America or any American investor who has his investments in America. Americans investing in foreign countries are another matter. The State Department loves them because they help make State Department jobs.

Even Secretary of State Dulles, when he testified before the Senate Finance Committee, could offer no help to the American industry being injured by the foreign-trade program of the State Department.

Mr. President, the senior Senator from Nevada submits that passage of any trade bill by the Congress would be risky and dangerous business. The wise and safe course is to let H. R. 1 peacefully expire.

Then, as I have pointed out many times, we shall revert to the 1930 Tariff Act on all dutiable or duty-free articles which have not been included in trade agreements.

Where trade agreements exist the President might cancel them, and in 6 months the duties would be adjusted by the Tariff Commission, an agency of Congress, on the basis of fair and reasonable competition determined by the difference in cost of producing the article here and in the principal competing nation.

AMERICAN INDUSTRY SEEKS EQUAL ACCESS TO AMERICAN MARKETS

That gives American free enterprise a chance to compete on equal terms against foreign competition in our own markets, and imposes no hardship on any foreign producer willing to compete for American markets on equal terms. A flexible import fee or tariff on that basis would not prevent imports; it would merely permit them to enter this country on our basis of costs, when they are needed.

Mr. President, that is all American industries threatened with destruction by import competition from foreign countries ask—equal access to our markets.

Scores of witnesses have testified against H. R. 1, in both the Senate Finance and the Ways and Means Committees, and invariably they have informed the committee that they would be content with equal access to our own markets.

But it has been amazing to the senior Senator from Nevada to see industrialists and representatives of working men and investors come before the committee with bowed heads and say "We realize this bill is going to pass, so all we want is an amendment to assure us we will not be run out of business for another year." Those are almost their exact words.

PROPAGANDA MACHINES OF FOREIGN TRADING NATIONS BUSY

Why are the people of the Nation in that frame of mind? What kind of propaganda goes forth which brings about a frame of mind of that kind? What is said to the workers and investors of this Nation? I will tell you, Mr. President, one thing which does not retard such a frame of mind, and that is the propaganda machines of the empire-minded nations of Europe. Some of them have the best propaganda machines ever devised. The people are sold on slogans for reciprocal trade to such an extent that control is gained of their minds in an emergency and they are caused to vote against their own best interests.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator yield?

Mr. MALONE. I yield.

Mr. JOHNSON of Texas. The Senator is not talking about slogans such as The Great Crusade, Dynamic Conservatism, and slogans of that kind, is he?

MONEY GONE, FRIENDS GONE

Mr. MALONE. I am talking about any proposal to divide the money of the taxpayers of this Nation with the other nations of the world, on the theory that the more we give them, the more wealthy we shall be. That philosophy reminds me of the oldtime boxers who, when they were winning, stood at the bar, with plenty of money in front of them, and bought drinks for all present. When one of those oldtime boxers would lose a couple of times and there was no more money in front of him at the bar, he would look around and see that no one was there.

That is where we are headed. I am referring to anyone who holds that theory. I may say it is worse for a Republican to advocate it than for a Democrat to do so, because Republicans ought to know better.

M'KINLEY TARIFF SPEECH RECALLED

The witnesses who testified against H. R. 1 have been more generous in informing the committee that they would be content with equal access to our own markets, in my opinion, than a great Republican President, who, in a speech delivered while he was a Member of the House, asked this question:

> Why should he * * * (the foreign producer) enjoy unrestrained equal privileges and profits in our markets with our own producers, our labor, and our taxpayers?

William McKinley, a great American, expressed a great American principle. He said:

> Here we are 1 country, 1 language, 1 allegiance, 1 standard of citizenship, 1 flag, 1 constitution, 1 Nation, 1 destiny.

And I will go a step further, Mr. President—one standard of living.

Then he said:

> It is otherwise with foreign nations, each a separate organization, a distinct and independent political society, organized for its own, to protect its own, and work out its own destiny.
>
> * * * * *
>
> The foreign producer has no right or claim to equality with our own. He is not amenable to our laws. There are resulting upon him none of the obligations of citizenship. He pays no taxes. He performs no civil duties—he is subject to no demands for military service. He is exempt from State, county, and municipal obligations.
>
> He contributes nothing to the support, the progress, and the glory of the Nation.

And then he asked, as I stated before:

> Why should he enjoy unrestrained equal privileges and profits in our markets with our own producers, our labor, and our taxpayers?

Mr. President, every word that William McKinley said in that memorable speech in 1888 is as true today as when it was uttered.

The nations of Europe still are separate organisms, distinct and independent political societies, organized each for its own, to protect its own and to work out its own destiny.

Do they have free trade among themselves? Of course not.

FOREIGN NATIONS RAISE RIGID TARIFF BARRIERS

Against each of their neighbors they impose rigid tariff barriers, restrict imports by exchange permits, and import licenses and quota systems, just as they do against the United States.

Testimony has been presented before the Senate Finance Committee during current hearings that 32 foreign countries have increased their tariff rates during the past few years, when they have been so energetically urging that we cut out tariff rates still further, and receiving the sympathy and assistance of the State Department.

Of the 97 trading countries listed by the Department of Commerce, I find that 66 require an import license and 48 an exchange permit.

Many, of course, require both, which is why the total of nations with such restrictions, 114, is larger than the number of trading nations.

Examining the list I find few of these areas with neither of these restrictive devices, although most of them naturally have tariff barriers.

FOREIGN BARS HAVE ONE PURPOSE: TO KEEP OUT AMERICAN PRODUCTS

And they are barriers, Mr. President, because no nation on earth needs pro-

tection against America, since our wages, taxes, and standard of living are greater than those of any other nation on earth. Foreign nations erect barriers, both to keep out our products and to collect revenues from us.

Nations with neither import license nor exchange permit controls are Kuwait, Saudi Arabia, Canada, El Salvador, French Somaliland, Guatemala, Haiti, Tangier, Peru, and the Philippines.

It is a fact, Mr. President, that while the United States has been cutting tariffs 68 percent, and has kept hands off any other trade barriers on industrial products except agricultural products imported into the United States, other countries of the world have been not only raising their tariffs, but imposing controls that can keep any American product they do not want in their market from entering their market.

The Trade Agreements Act of 1934 and GATT were sold to the American people on promises to reduce foreign trade restrictions against our products. The promises have simply not materialized.

CONSTITUTION PROVIDED THAT CONGRESS SHOULD LEGISLATE, NOT PRESIDENT

The senior Senator from Nevada recognizes that among his colleagues there are some distinguished Members who believe that when the White House sends a bill to Congress, Congress must pass the bill. This is a far cry from the constitutional concept that Congress was the legislative branch, independent but coordinate, and that Congress would initiate and consider such legislation as was necessary to our Government.

I think it is fair to say that today more important legislation is initiated by the executive than in the legislative branch. Certainly that is true of H. R. 1, as it was of the Trade Agreements Act and the Extension Acts which have preceded H. R. 1.

Now we have H. R. 1, a bill which offers neither encouragement nor hope nor protection for any manufacturing industry in the United States, any investor in such an industry, or any workingman in such an industry. I am opposed to any extension or renewal of the Trade Act.

But if we must pass a bill on this subject, as the State Department, the President's advisers, and many of the Members of the Congress seem to think, then at least let it be a bill which in some measure will safeguard the interests of the American workingman, investor, and taxpayer.

Two such bills are now pending in the Senate. Both of them were introduced by the senior Senator from Nevada.

MALONE AMENDMENT WOULD SAFEGUARD NATION'S INTERESTS

One of them, Mr. President, is Senate bill 404, which I introduced, and which subsequently was submitted as an amendment to Senate bill 1723, and yesterday was submitted by me as an amendment in the nature of a substitute for House bill 1. That amendment now is at the desk, and will be called up tomorrow.

The amendment declares a policy of the United States which is in direct contradiction to the policies implied under H. R. 1, but a policy which is in the interest of American free enterprise.

Under the amendment the Tariff Commission would be authorized and directed from time to time, and subject to the limitations subsequently specified, to prescribe and establish import duties, which would provide for fair and reasonable competition between domestic articles and like or similar articles in the principal market or markets of the United States.

CRITERION ESTABLISHED IN AMENDMENT

The amendment likewise sets up a criterion. Here is the criterion:

> A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States, is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

Mr. President, this amendment envisages no discriminations against foreign critical and strategic materials, nor against the importers. Neither does the amendment envisage any favors to domestic producers, over the foreign producers or importers. All that the amendment does, in fact, is to assure American producers equal access to American markets with foreign producers competing for the same American markets.

To determine what is a fair price and what is fair competition, the Tariff Commission would take these factors into consideration:

First. The lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition.

Second. Any change which may occur or may reasonably be expected in the exchange rates of foreign countries, either by reason of devaluation or because of a serious imbalance of international payments.

TRADE PACTS MERELY AGREEMENTS TO LOWER TARIFFS

Mr. President, that is one method of nullifying any trade agreement which may have been made between the United States and any other nation. Such agreements really are not trade agreements anyway, Mr. President, as you know. Instead, they are simply agreements to lower tariffs.

Before the ink on such a so-called agreement is dry, the foreign country participating in the agreement devalues its own currency, and thus defeats the objectives of the agreement; or else the foreign country participating in the agreement invokes exchange or trade permits, so that whenever a foreigner applies to one of the government departments for a permit to import any commodity to that nation, if that nation does not want the article imported, it is not possible for him to obtain such an import permit or exchange permit; and without an exchange permit, it is impossible to obtain funds of that country with which to purchase that commodity.

My amendment contains provisions which are designed to allow the Tariff Commission to overcome the subterfuges which are employed by other nations in an attempt to prevent imports into their own countries, and to increase their exports to the United States.

To continue with the factors set forth in my amendment which the Tariff Commission would take into consideration:

Third. The policy of foreign countries designed substantially to increase exports to the United States by selling at an unreasonably low and uneconomic prices, in order to secure additional dollar credits.

Fourth. Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each.

Fifth. The actual and potential future ratio of volume and value of imports to volume and value of production, respectively.

Sixth. The probable extent and duration of changes in production costs and practices.

Seventh. The degree to which normal cost relationships may be affected by grants, subsidies—effected through multiple rates of export exchange, or otherwise—excises, export taxes, or other taxes, or otherwise, in the country of origin, and any other factors, either in the United States or in other countries, which appear likely to affect production costs and competitive relationships.

FOREIGN TRADE TRICKS WOULD BE OVERCOME BY AMENDMENT

All these factors the Tariff Commission could consider, to overcome the tricks and the 200-year-old practices of the foreign nations to gain trade advantage, about which our State Department seems to be woefully ignorant.

Under the amendment decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles could be made by the Tariff Commission either upon its own motion or upon application of any person or groups showing adequate and proper interest in the duties in question, is subject to one proviso, that is:

> That no change in any import duty would be ordered by the Commission until after it had first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties had full opportunity to be heard.

RIGHTS OF INDUSTRIES PROTECTED

Mr. President, all the elements of fairness under our republican procedures are outlined here.

Full investigation, public hearings, the right of petition, all are present, and the criteria for adjustments assures that one reasonable objective would be accomplished—industries would be granted equal access to our markets, only that and nothing more.

As I have said, Senate bill 404 and the amendment now offered includes all materials, and all products.

Senate bill 400, which I also introduced and which is pending before committee, embodies the same principles and safeguards with respect to critical and strategic minerals and materials, including petroleum, petroleum products, or other liquid fuels.

Mr. President, the amendment I have offered is legislation to protect and strengthen American interests, on a fair and reasonable basis which, for the first time in history, would make of the Trade Agreements Act a trade act truly realistic and "reciprocal" insofar as it applies to this field.

As the senior Senator from Nevada has pointed out many times on this floor, the word "reciprocal" does not appear in the title or body of the act of 1934. It was not a reciprocal trade bill and was never intended to be. It was a bill to cut tariffs and to give foreign products an advantage in our markets not shared by the American producers against which the foreign suppliers were competing.

It was a bill to divide our markets among the slave-wage nations of the world.

H. R. 1 NOT RECIPROCAL

There is nothing reciprocal in the Trade Agreements Act of 1934, in any of the extension acts, or in H. R. 1.

The legislation I propose would encourage true reciprocal trade.

It would encourage it, but whether or not it would actually bring it about would depend on our subservience to GATT, or to its successor agency, the OTC or the 1955 edition of ITO.

It would encourage true reciprocal trade in one field, directly related to our national defense, and if we are to have true reciprocal trade generally the senior Senator from Nevada would prefer passage of his bill S. 404.

That has now been offered, as I have previously explained, as an amendment in the nature of a substitute for House bill 1, and will be brought up tomorrow for debate and vote.

GREEN LIGHT GIVEN ADMINISTRATION BILLS OVER SENATE MEASURES

S. 404 is pending before the Senate Finance Committee, and has been pending before it for some time.

The senior Senator from Nevada well understands, however, that in the modern concept of the relationship between the executive and legislative branch, administration-sponsored measures seem to take precedence over legislation introduced by mere Members of the Senate or House of Representatives.

When a bill is introduced by a Representative or Senator on his own initiative, it is more likely than not to be opposed by whatever administration happens to be in power.

An example of that is the recent tax bill.

H. R. 1, which has administration backing and which is in no sense a reciprocal trade bill, therefore has been given the green light or right of way, while S. 404 has lain dormant, at least until the present, when I am offering it as an amendment in the nature of a substitute to H. R. 1.

S. 404 declares a policy, and I quote:

AN AMERICAN POLICY FOR AMERICANS

It is declared to be the policy of the Congress—

(a) To facilitate and encourage the importation into the United States of foreign goods and products in quantities sufficient to supply the needs of the United States;

(b) To foster and provide for the export of the products of American industry and agriculture in quantities sufficient to pay for the needed imports;

(c) To develop and promote a well-balanced, integrated, and diversified production within the United States so as to maintain a sound and prosperous national economy and a high level of wages and employment in industry and agriculture;

(d) To provide necessary flexibility of import duties thereby making possible appropriate adjustments in response to changing economic conditions;

(e) To assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

Mr. President, this is a sound policy. It is an American policy for Americans.

ABRAHAM LINCOLN'S TARIFF POLICY

It is a policy similar in many respects to the Republican platform plank of 1860 on which Abraham Lincoln ran and was elected.

That plank read:

That, while providing revenues for the support of the general government by duties upon imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests of the whole country;

And we commend that policy of national exchanges which secures to the workingman liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

Mr. President, the policy objectives of my amendment parallel the pledges of the Republican platform of 1860 on which Abraham Lincoln ran and was elected.

"Commercial prosperity and independence" was the Republican promise and Abraham Lincoln's objective in 1860, and commercial prosperity and independence is what American industry, workingmen and investors ask today from this administration.

INDEPENDENCE LOST UNDER GATT

Instead of independence we have GATT, 34 nations meeting in foreign lands to devise ways of wiggling into our markets, displacing our industries and workers, and disrupting our economy.

Instead of commercial prosperity for the whole country we have distressed industries, closed mills, mines and factories, and 144 distressed areas.

Instead of developing the industrial interests of the whole country, we have a scheme to destroy certain segments of our industrial economy on the theory that if we enable enough industries to be destroyed by imports the surviving industries will export more of their products.

This is the theory, held by the State Department and free traders for 22 years, that if you cut off a leg, you will be better off because the other leg will grow stronger.

If you cut off an arm, that will be dandy, because the muscles in the other arm will get bigger; and if you put out one eye you will see better with the other. If you put out both eyes that is better yet, because it will improve your sense of smell.

If we destroy our textile industry, these free trade theorists argue, we will sell more raw cotton, and if we destroy the coal industry we will sell more apples, because soon unemployed coal miners will be selling apples on the street.

DESTROY SELVES TO STRENGTHEN ALLIES

Destroy American free enterprise and our foreign friends will have less competition in American markets and so be firmer allies.

Of course these theories disregard the fact that 89 percent of all the trading nations in the world—and all of the important ones except Canada—impose import or exchange controls, or both, on what we ship to them.

This means that the foreign governments in these countries control what their nationals can buy from us, simply by granting or withholding import licenses and exchange permits.

This further means that foreign buyers can buy from us only what their governments think is necessary to acquire from the United States, or what we have bribed these governments to accept.

TRADE SUBSIDIZED BY BRIBES TO FOREIGN NATIONS

Since World War II we have given them bribes totaling more than $50 billion under pretexts, to induce those countries to accept goods that our taxpayers have already paid for.

The foreign countries have been getting away with this through a species of blackmail, threatening to go Communist if we attempt to return to a principle of fair and reasonable competition in foreign trade.

So long as they can get away with this they will do so, with the encouragement of our State Department.

When we return to a principle of fair and reasonable competition with flexible duties based on the cost comparisons I have outlined previously, this blackmail will cease.

Foreign countries will still sell to us the things we need and do not produce at home—two-thirds of our imports, including coffee, tea, tin, copper already come in duty free.

Foreign countries will have equal access to our markets on articles we both produce, the difference in production costs equalized by tariffs.

MAKE FOREIGN NATIONS EARN TARIFF CUTS BY RAISING WAGE STANDARDS

Foreign countries will be able to earn tariff reductions by improving their own wage and living standards.

America will continue to ship to foreign countries the commodities these countries require or need for their own economy.

America's principle of fair and reasonable competition may afford an example to foreign countries.

America's industries, investors, and producers will be given an equal oppor-

tunity to enjoy our own markets with other nations of the world, and again will enjoy commercial prosperity and independence.

I say that because when a tariff or a duty is adopted on the basis of fair and reasonable competition, it means that when the living standards and wages and costs are raised in the foreign competitive nations, then the duty on a particular product will be decreased when the people of the competing nation are living on about the standard we are living on, and free trade will be the automatic and immediate result.

Senate bill 404, which I am offering as an amendment to H. R. 1, aims to achieve this goal of commercial prosperity and independence for the whole country.

AMENDMENT ADOPTION WOULD END TRADE PACTS

The amendment would authorize and direct that at the earliest practicable date all foreign trade agreements be terminated.

On termination of such agreements import duties established under section 350 of the Tariff Act of 1930 would be restored.

Reductions or increases of import duties thereafter would be on the principle of fair and reasonable competition based on the same criteria as that which I outlined previously.

SAFEGUARDS DESCRIBED

There are several additional safeguards, however.

Section 337 of the Tariff Act of 1930 declared that unfair acts in the importation of articles which tend to destroy or substantially injure an American industry which is economically operated shall be unlawful.

This amendment would provide that when an unfair method or act of this nature is established to the satisfaction of the Tariff Commission, it shall have power to direct the exclusion of such articles from entry into the United States.

QUOTAS PERMISSIBLE

The Commission, likewise, would be empowered to impose quantitative limits on the importation of foreign articles in such amounts as it finds necessary to effectuate the purposes of the act.

Mr. President, the purpose of this provision is to give manufactured products of American industry a measure of the same protection now enjoyed by many of our agricultural products under section 22 of the Agricultural Adjustment Act, and section 8e of the Agricultural Marketing Agreement Act of 1937.

The senior Senator from Nevada supports these acts as he supports all legislation to safeguard American interests, American jobs, American industries, and American producers.

The senior Senator from Nevada supports the principle of Abraham Lincoln's platform which pledged to agriculture "remunerative prices" at the same time it pledged "to encourage the development of the industrial interests of the whole country."

INDUSTRY ENTITLED TO SAME SAFEGUARDS AS AGRICULTURE

Manufacturing and resource industries, in the opinion of the Senator, are entitled to the same safeguards that agriculture enjoys today, and that is the reason for the provision I have outlined above in both of my amendments.

Freetraders want no safeguards at all for either agriculture or industry.

To all practical purposes they have been successful in removing the tariff safeguards which for 150 years encouraged American manufacturing and resource industries to develop and expand.

Their next target is agriculture.

Foreign competitors are aiming at this target right now.

They opened fire on American agriculture at the recent GATT sessions in Geneva.

While they won no immediate victory, they did win a reluctant promise from the State Department of ultimate success.

GATT VERSUS UNITED STATES AGRICULTURE

Here is a news dispatch from Geneva, Switzerland, dated March 7.

It starts out by saying:

> The 34 member nations of the General Agreement on Tariff and Trade (GATT) have granted permission for the United States to continue to impose quantitative restrictions on certain agricultural imports, it was learned here today.

Mr. President, I interject at this point of the dispatch to ask: "Who and what is this GATT that it has power to grant 'permission' to the United States, its farmers or the Congress, to carry out a law that is on our statute books? What kind of super-sovereign power is this that it can conceive the power to grant or withhold permission to the United States to obey its own laws?"

FOREIGN "RETALIATION" APPROVES

I continue to quote from the Geneva dispatch, which reports that we have GATT's provision to carry out our own laws with respect to agricultural imports. The second paragraph reads:

> But the members also gave other countries permission to retaliate and seek compensation if affected by the restrictions, which are contained in section 22 of the United States Agricultural Adjustment Act.

So GATT also extends its sovereignty over the other nations of the world and gives them authority to seek compensation. From who? Why the United States, of course.

Paragraph 3 of the report reads:

> This section (section 22) mainly concerns imports of dairy produce and has led to clashes with several nations in the past. Holland once retaliated by slashing imports of wheat from the United States.

STATE DEPARTMENT APPEASES GATT WITH PROMISES

And here is the pay-off paragraph that tells what our State Department, which has representatives attending GATT, has been doing over there.

I quote:

> The United States is understood to have assured GATT that it will end any restrictions under the act as soon as they are no longer needed, and consult with interested countries before taking further action.

Mr. President, who in the United States has power to assure GATT that section 22 of the Agricultural Adjustment Act will eventually be set aside?

Who has the presumption to say that the Congress of the United States which passed the Agricultural Adjustment Act and has frequently extended it, is going to repeal section 22 at some future date?

Who is presuming to make our laws or change our laws or repeal our laws outside of Congress, when they are laws passed by the legislative branch of our Government?

Who presumes to be the "United States" when huddling in secret with representatives of 33 foreign nations in Geneva?

AUTHORITY OF STATE DEPARTMENT QUESTIONED

The State Department cannot do it, because it is no part of the legislative branch.

Congress has not done it, because it is not represented at Geneva, and has never recognized GATT in the first place.

But here we have some superauthority which presumes to be the United States assuring GATT at Geneva, according to this report, assuring GATT that it will end any restrictions under section 22 of the Agricultural Adjustment Act as soon as they are no longer needed.

Who is to determine if and when the safeguards under section 22 of the Agricultural Adjustment Act are no longer needed?

The foreign countries participating in GATT?

The State Department, which is the agency of the executive branch of our Government that has been involved in GATT?

The President, to whom Congress delegated certain powers, unconstitutionally in my opinion, in the Trade Agreements Act of 1934?

Who?

ONLY CONGRESS HAS AUTHORITY TO ALTER OR REPEAL SECTION 22

Mr. President, no administration and no executive department in our Government has any authority to repeal section 22, or to give assurances to any international agency that the provisions of that section will not be carried out.

No one in Government or outside of Government can give GATT or any other international organization assurances of what Congress will or will not do in the future with respect to a legislative act that the legislative branch of government has passed.

STATE DEPARTMENT DELUDES ITSELF

Mr. President, in the opinion of the senior Senator from Nevada, this State Department of ours has just grown too big for its britches and has developed delusions of grandeur unsuited to a nation established on republican principles of government.

We still have a constitutional government, Mr. President, with three independent and coordinated branches, and no official of the executive branch has authority to give assurances to any international agency as to what Congress will or will not do.

Mr. President, the State Department has been suffering delusions of grandeur for some time and has long conceived itself omnipotent with superpower over both our political and economic affairs.

The senior Senator from Nevada was first to point this out in a floor speech delivered on July 12, 1949, during debate on the North Atlantic Treaty which was promoted as a blueprint for world peace and security, but which was in reality a device by which we would beef up the empire-minded nations and their colonial systems at the expense of the American taxpayers.

Dean Acheson was then Secretary of State and Willard L. Thorp was Mr. Acheson's Assistant Secretary.

In my floor speech of July 12, 1949, I quoted both Mr. Acheson and Mr. Thorp. I quoted a statement by Mr. Acheson that, and I again quote Mr. Acheson:

> It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs.

That is Mr. Acheson, our then secretary of political affairs, as it is called in some countries, or Secretary of State as we call the office here. Continue Mr. Acheson:

> Each complements and supplements the other. They must be combined in a single unified and rounded policy.

Mr. President, this is the type of thinking by which the State Department, or department of political affairs as it is known in some countries, Switzerland for example, presumes that it can repeal, or set aside, an act of Congress or a provision in an act of Congress, specifically section 22 of the Agricultural Adjustment Act.

STATE DEPARTMENT APPARENTLY UNCHANGED

The same presumption apparently exists today in the State Department as existed 6 years ago during the tenure of Mr. Acheson.

In his floor speech of July 12, 1949, the senior Senator from Nevada pointed out that "there positively cannot be a bipartisan foreign policy without extending it to national economic affairs" under this concept of the State Department.

This is equally true today if the State Department presumes that it has the power to promise an international organization such as GATT that in due course a vital act of Congress such as section 22 will be waived, ignored, or set aside.

It is significant also, that as far back as 1949 the State Department was plugging the International Trade Organization or ITO, which was turned down promptly by committees of the House and Senate when it was sent up to the Congress.

DISCARDED ITO TO BE REBORN

Now a new ITO is to be sent to the Congress, this time as an international organization for trade cooperation, or OTC.

The State Department never gives up in its efforts to subordinate the national economy and the Nation's trade and commerce to an international organization, where it can make promises of the end of safeguards such as section 22 of the Agricultural Adjustment Act provides for the farmers of our Nation.

ITO, as I stated previously, did not become effective when it was repudiated by the appropriate committees of the House and Senate.

When the United States did not join, none of the other nations did either. Instead they preferred to carry on their work of dividing the markets of the United States between them through ITO's twin, called GATT, which never has been submitted to the Congress.

NEW GLOBAL AGENCY TO DIE IF UNITED STATES DOES NOT JOIN

The new ITO, or OTC, or IOTC, or IOT, whichever initials the State Department may seek to apply to it, is intended to absorb both GATT and original ITO provisions.

In a report from Geneva on the plan the Associated Press states significantly, in a March 21 dispatch:

> Failure either of the United States or the United Kingdom to ratify the agreement would mean that the new organization would not come into being.

Of course not.

In the opinion of the senior Senator from Nevada the new organization will not come into being if the United States does not ratify the agreement, regardless of what the United Kingdom may or may not do.

These hungry nations are not concerned with British markets. It is the American market they are after.

The Associated Press report from Geneva adds another significant paragraph or two. It states:

> Samuel C. Waugh, Assistant Secretary of State for Economic Affairs, signed the agreement today along with six other protocols of amendment and declaration growing out of the 4-month meeting of GATT members.
>
> Mr. Waugh said it was the plan of the administration to present the new agreement to Congress for ratification "at the earliest possible date" after a decision had been taken by Congress on the bill to extend the Trade Agreements Act.

Mr. President, if the present act is extended, it will not be necessary to do anything with the other organization. If we pass the pending bill, we approve GATT. If we reject the bill, GATT will not be injured; it will continue in force as before. That is the kind of subterfuge which has been going on for 22 years.

CONGRESS EXPECTED ONLY TO RUBBER STAMP STATE DEPARTMENT DEALS

None of the 6 protocols which Mr. Waugh is reported to have signed are to come before the Congress.

In other words, Mr. President, Congress is supposed to rubber stamp the State Department scheme in advance by passing H. R. 1, and without knowing any of the terms or provisions on which it is acting.

If Congress should enact H. R. 1 we will have OTC or GATT controlling our international trade and commerce regardless of whether the organizational provisions of the international agency are sent to Congress.

STATE DEPARTMENT BEING GIVEN BLANK CHECK

Mr. President, Congress is being asked through H. R. 1 to give the executive branch, and the State Department, a blank check to remake the economy of America in collusion with 33 foreign countries, all greedy for our money and our markets.

We are asked to give a blank check without any knowledge of how or in what amounts the State Department intends to fill it out, or whether, when it does fill the check out, it will injure or bankrupt our economy.

Mr. President, I ask unanimous consent at this time to have printed in the RECORD excerpts from my address of October 29, 1949, outlining the same subject and in much the same manner as I have done today. The excerpts are marked in this reprint of the debates in 1949 with reference to the Trade Agreements Act. This is not a new thing at all. It was recognized for exactly what it is, and it has been continued at our own risk. So I ask unanimous consent to have the marked excerpts included at this point in the RECORD.

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

TRADE AGREEMENTS ACT THREATENS WAGE STANDARD OF AMERICAN WORKERS

Ever since 1934, and particularly since World War II, the purpose of the administration of the Trade Agreements Act by the Democrats has been to prostitute the tariff policy of this Nation to bolster up a makeshift foreign policy—a policy dominated by others than Americans, and by persons whose interests are quite different from those of the American citizen.

Again and again we find evidence that the operation of the 1934 trade-agreements program was, in effect, a foreign-aid program, designed to throw millions of American workers into competition with sweatshop labor.

It is obvious that the nations involved in these trade agreements naturally desire to swamp American markets with low-priced imports in their all-important pursuit of the American dollar. I am not saying that this is their fault, but neither is it ours.

The tariff and import-fee policy of any nation has only two legitimate functions: First, to raise revenue; and second, to protect the jobs of its citizens. To use the tariff policy as a diplomatic pawn is to betray the economic security of the workingman.

The makers of our foreign policy have tried to frighten the Congress into subordinating the people's health and welfare to their international chess game.

It is not only bad economics, it is bad statesmanship, to weaken the security of the American worker, because today in this troubled world there is an extraordinary reason why America's productive processes should be maintained at full flood, namely, the need for security against any military threat from anywhere.

The argument that our economy must be weakened to placate or buy the friendship of any other nation is stupid. Strong nations never want for friends.

The American Nation is in great need of an American tariff policy, one which reflects the traditional policies and objectives of the American people.

Under the guidance of our State Department we are pouring out billions of sound dollars to maintain a hopelessly artificial world economy built on stage money. In so doing we are helping no one, and only prolonging the eventual return to reality.

There is much evidence that the peoples of the world are more conscious of this fact than are the politicians. It is certainly true of large segments of the American people, and only a few days ago a Scripps-Howard reporter sampled the man on the

street in London—the people who would be considered to have benefited most. As I recall the various interviews reported in the story, not a single person favored accepting additional transfusions from the United States. Yet, here we are debating the renewal of a politically controlled imitation of sound world trade.

AMERICA IS IMPORTING UNEMPLOYMENT

As Members of the Senate we are inevitably called upon to pass judgment upon technical matters which, in their detail, are beyond our knowledge and experience. In such cases we must seek the principles that underlie the problem and anchor our judgment to those fundamentals which we know to be true.

In foreign trade there is one principle that stands head and shoulders above all others, namely, every time we import something without exporting its equivalent, we are importing unemployment. Every British automobile that comes into America means about a thousand hours of unemployment, unless those hours are used to produce something that a foreign customer will buy.

We should be truly sorry for the pottery workers of Czechoslovakia and the watchmakers of Switzerland, but I am even sorrier for the idle pottery workers of Ohio and Arkansas and the watchmakers of New England.

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

Mr. MALONE. I yield to the Senator from Missouri.

Mr. DONNELL. Would the Senator be willing to comment on 2 sentences in the communique which was issued yesterday at the conclusion of the Anglo-American-Canadian financial talks, the 2 sentences being as follows:

"It was agreed that the United States and Canada should reduce obstacles to the entry of goods and services from debtor countries, in order to provide as wide an opportunity as possible for those countries to earn dollars through the export of goods and the provision of services, including tourism."

Then somewhat further along in the communique:

"There had already been significant and substantial reductions in United States tariffs during the last 15 years. The policy of the United States Government was to seek further negotiation of trade agreements through which additional reductions might be made, within the framework of the Reciprocal Trade Agreements Act."

Would the Senator care to comment on those two observations, issued yesterday, as I have indicated?

Mr. MALONE. Mr. President, I would say that was simply another approach. In the past 2 or 3 years we have learned more different approaches, camouflaged approaches, to the markets of the United States, than I thought were available. When we consider the statements which have been made by leaders of European nations—England, for instance, because they seem to be taking the lead—every statement leads to an open door to United States markets. So, whatever the approach, just watch it long enough and it arrives at a method of entering the United States market.

In my opinion there are simply two reasons for this financial conference at this time. First, as I said before, it is something to direct attention from one of the most important happenings on the Senate floor in a century, namely, our deliberation over whether we will have free trade, whether we will take down tariff barriers and let the American workingman take his chances with the slave labor and the low-cost labor of Europe, Asia, Africa, and South America, or whether we will adopt some procedure through which he can be protected in his job while we are helping the other countries to raise their standards. So, every statement the leaders of foreign nations make, every approach they take, if analyzed, will be found to lead to easier entry to the markets of the United States and to the sharing of those markets.

As I have said before today, at the time of the meeting in San Francisco where the United Nations was formed, everyone had high hopes for the success of the new venture. It was my good fortune to meet nearly all the representatives from South America, Asia, Australia, New Zealand, and other nations. It has been my observation that if the United States is to have any trade future, it will be in South America and Asia, it will not be in old Europe, because in old Europe the people are producers, they are processors and manufacturers of goods; and that is what we are here in the United States. Asia and South America produce raw materials, so that our opportunity for trade is much greater in South America and in Asia than anywhere in Europe.

The same thing is true with respect to England. Of course, England is going to trade with Russia. All the subterfuge, and all the denials and everything else we do or say in connection with every loan we make, to the effect that the other country is not to be allowed to do thus or so, makes no difference. They are doing it. They go to the State Department and secure permission to go ahead. The Senator from Missouri is entirely familiar with all the trade treaties which have been made between the 16 Marshall-plan nations of Europe and Russia and the other countries behind the iron curtain.

So after they have used our money—and this is the second year we have furnished them money—used the Marshall-plan money and the ECA money to rehabilitate their plants, to buy raw materials, to do everything necessary to boost up their manufactures, for which we are largely responsible, what do we hear? We have heard debated on the Senate floor, and we have read in the newspapers statements put out by the State Department, that all that was necessary for the European nations to do in order to recover, was to produce. We have heard it said that production was the thing necessary in order for the European nations to solve all their problems. We have heard it said that they should greatly increase their production, double their production, in order to save themselves. That is the goal of most of those nations. Some are above 140 percent of prewar production now. Few are below 110 percent, except such countries as Italy, Austria, and Germany.

What has happened? The nations of Europe have taken our advice. They have taken our money and are producing. Where will they have to sell what they are now producing? They will have to sell it in the United States. So the chickens are coming home to roost.

I will again say to the Senator from Missouri that every approach, whatever it looks like—it may even be camouflaged with a sheet over its head, but if we pull the sheet off we find that the nations of Europe are after the markets of the United States and, of course, of Canada also.

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

Mr. MALONE. I am happy to yield.

Mr. DONNELL. Does the Senator think that this sentence in the communication issued yesterday, on the conclusion of the Anglo-American-Canadian financial talks, tends to corroborate the view the Senator has suggested:

"This would require that the sterling area increase its dollar earnings so as to pay its way by 1952. This would require in the sterling area the creation of appropriate incentives to exporters to the dollar area and a vigorous attack upon costs of production to enhance the competitive position of sterling area products."

Mr. MALONE. Mr. President, I will say to the distinguished Senator from Missouri that the ones who wrote those words have used a considerable amount of language to say only one thing, which is that they must sell more to the United States of America to get the dollars they think they need. I ask the distinguished Senator if he can make anything else out of it.

Mr. DONNELL. It seems to me perfectly clear that what they are geting at is exactly what the Senator from Nevada says, namely, a widening of markets for European products, the markets somewhere in the dollar area, which would enable them to collect dollars, and that would certainly seem to me to include the United States.

Mr. MALONE. There is also no question in my mind that the administration, through the State Department of the United States as it has long before this agreed, has agreed again to divide the markets of the United States with the sterling area.

Mr. DONNELL. Mr. President, will the Senator again yield?

Mr. MALONE. I yield.

Mr. DONNELL. I will state, if I have not already stated it in the RECORD—I think I did—that what I have been reading from is the text of the joint communique issued yesterday on the conclusion of the Anglo-American-Canadian financial talks, in which Great Britain, Canada, and our representatives, as I understand it, concurred.

Mr. MALONE. I will say to the distinguished Senator from Missouri that there can be no question that his conclusion is a correct one. They have come here for two reasons. One is further to break down the barriers with more secret talks and agreements. The Senate is not informed of all the agreements which have been made. The effort is made to divert the public attention from the floor of the Senate of the United States, where, as I have said before today, the subject which is being discussed now is one of the most important subjects to be discussed in a hundred years. Why? Because we have now arrived at the crossroads, and we must take one course or the other. We cannot be on both sides of this question. We must take either one side or the other. If we take one side we must be in favor of dividing all the markets with the nations of the world in the manner done hitherto under the 1934 Trade Agreements Act—which means what? It means a lowering of the tariffs and the import fees below the differential in cost of production, with the resultant lowering of wages; so the workingman must make a choice. Of course, large groups of men are working now. Conditions are not like they were a hundred years ago, when comparatively few men were working. The workers are not all obliged to cease working at once. Our men are competitive workers. They will stay at their work for quite a while. But finally comes the time when the question is, "Either you have to take a reduction in wages or we will have to quit producing." We are getting to that point now in the United States. Business failures are today increasing beyond what they have been at any time since a considerable period before World War II. American workmen are going out on the street. It is not a question of whether or not they are going to go out on the street. They are now on the street.

So I say, Mr. President, that every time we import something which can be produced by the labor of America, we are importing unemployment. There are no two ways about it. It does not add up to anything else. So I say to the Senate of the United States that in my opinion there are no two sides to this question. We cannot be on both sides of such a question. Sometimes amendments can be suggested, and temporary steps may be taken so as to make a situation appear to be all right. But unless we stop this thing head on we shall be

in a bad way. When a football player is running down the field with a ball a proposal to amend him will do no good. He must be stopped in his tracks before he gets to his goal. We must stop this trend in its tracks now. I predict again that if we do not stop this thing on the Senate floor, if we extend the 1934 Trade Agreements Act, not only will there be amendments offered by the distinguished Senator from West Virginia [Mr. KILGORE] to prohibit the importation of hand-made pottery and glass, not only will there be an amendment to place a quota on oil of 5 percent, but other amendments will be offered. Of course, no one can tell what is the right figure to use respecting oil, but we know we cannot continue to permit the importation of oil into the United States below our own cost of production.

In addition to the amendments I have mentioned, there will be an amendment to put a quota on furs, which the distinguished Senator from Wisconsin has already offered. There will be so many amendments offered that the Senate will not have anything else to do for a considerable time but to act on the amendments which will be offered.

The distinguished Senator from Wisconsin [Mr. MCCARTHY] earlier this afternoon said that a manufacturer in his State suggested that he might transfer his plant, which manufactures heavy machinery, to a certain foreign nation, with the help of the point 4 guaranty of his investment, and under free trade he would send goods manufactured abroad to the United States, as well as sell his goods over there. The Senator asked me what effect my amendment would have on such a transfer of this businessman's plant to Europe. It would have a very simple effect, that is, if we adopted the plan of the flexible-import-fee principle, he would only compete with his own factory in Wisconsin on a fair and competitive basis.

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

Mr. MALONE. I am glad to yield to the Senator from Washington.

Mr. CAIN. If I have been correctly informed, the Senator from Nevada has maintained that no trade agreements have actually been signed under the Trade Agreements Act of 1934.

Mr. MALONE. I know of none, I will say to the distinguished Senator from Washington. The Trade Agreements Act does not provide for, or at least the Department of State has not undertaken, so far as I know, to enter into any trade agreements. The Department agrees to lower a tariff or an import fee. That is not entering into a trade agreement.

Mr. CAIN. In the opinion of the Senator from Nevada, that is not entering into a trade agreement?

Mr. MALONE. No.

Mr. CAIN. The point is that merely agreements are reached to lower tariffs, but no trade agreements have actually been made.

Mr. MALONE. That is true. I would say to the distinguished Senator from Washington that trade agreements are not being made. Agreements are made to lower tariffs and import fees. I think this is done without knowledge of what the effect is going to be. It is being done without regard to what the result will be whatever. I say that deliberately because of the extent to which the tariffs have been lowered, without any regard for the differential in cost of production or differences in wages and living standards in this country and in the country where the chief competition is located.

AMERICAN TUNGSTEN INDUSTRY WIPED OUT BY LOWERED TARIFFS

So it is not a question of a trade treaty. A trade treaty implies that we trade something—as England did with the Argentine, and with Russia. Those are trade treaties. We do not make trade treaties. We agree to lower a tariff, and we do not know where the chips are going to fall. We lowered the tariff on tungsten. It so happens that steel cannot be made without tungsten. Before the war, by virtue of a tariff of 50 cents a pound, we were producing about 45 percent of the domestic consumption of tungsten. No one paid very much attention to it. An import fee of that nature does not keep out imports. It merely brings them in at our level of cost, and everyone stays in business.

The war came on, and tungsten shipments from Burma and China, which are the greatest producers and suppliers, stopped. By virtue of the fact that we were in the tungsten business, production was speeded up by an increase in the price, and we became self-sufficient in the production of tungsten for war purposes. If we had been out of the tungsten business, and the miners had been scattered, we could have lost the war for that reason alone.

The tariff was reduced from 50 cents a pound to 38 cents a pound, which almost immediately shut down every tungsten mine in the United States with the exception of 2. Now all are closed except 1, and it is expected to close very soon.

In conversation with a State Department official he informed me that, "We did not lower the tariff very much. It was lowered from 50 cents a pound to 38 cents a pound." My answer was, "No; you did not lower it very much: but if you took a blowtorch and cut 2 feet off the end of the Potomac River Bridge you would not cut very much off it, but you would have no more bridge." So we have no more tungsten business in the United States.

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

Mr. MALONE. I yield.

Mr. CAIN. Was not the so-called escape clause designed to correct domestic catastrophes such as the one to which the Senator has referred in the case of tungsten? It was not the intention of anyone, was it, to close the tungsten operations in this country?

Mr. MALONE. I think the escape clause was a compromise which was inserted because of the demand of Congress that something of that nature be put in the act; but the procedure is very complicated. The distinguished Senator from Colorado [Mr. MILLIKIN] explained how the escape clause is supposed to operate. Roughly, this is the way it is supposed to operate: One can make application, if he can get by the State Department; but the tungstein producers could not get by the State Department. They did not even apply under the escape clause. But if an effort is made to invoke the escape clause, that opens up the entire subject. The treaties which we entered into are not bilateral, but multilateral. We make a treaty with a certain nation and then immediately, under our multilateral system, every other nation in the world has the advantage of whatever we give to the nation with which we make the treaty. In many cases we have not dealt with the principal supplier. We have dealt with an insignificant supplier, and the principal supplier came in and obtained the same reduction.

But if the State Department does accept an application, and goes through with it, and attempts to invoke the escape clause, under the multilateral system every other nation which benefits from that treaty can also escape from everything which affects it. So in the long run it is not practical. That is what the State Department officials and others have explained. To my knowledge the escape clause has never been invoked. In other words, a producer can close down his business, but he is not able to prevail on the State Department to invoke the escape clause.

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

Mr. MALONE. I yield.

Mr. DONNELL. Will the Senator be kind enough to state his interpretation of this further language in the joint communique issued yesterday by representatives of the three governments, namely, Great Britain, Canada, and the United States?

"There was agreement that one of the ways in which the competitive position of United Kingdom products might be improved, was by a widening of the area in which such products competed freely with those of other countries."

At the conclusion of the statement appears this language:

"In summary the Ministers of the three countries concerned are satisfied that a real contribution to the solution of the sterling-dollar difficulties has been made by the conclusions recorded above. They are confident that, with sustained efforts on all sides and with the seizure of every opportunity by sterling-area exporters to enter into and remain in dollar markets which are open to them, there is the prospect of reaching a satisfactory equilibrium between the sterling and dollar areas by the time exceptional dollar aid comes to an end."

Will the Senator be kind enough to state his interpretation of those two statements?

Mr. MALONE. If the Senator from Missouri will permit me, I should like to say, as I previously stated, that it is another camouflaged approach to entry into the markets of the United States. When they are ready to increase their exports, the effect of that statement will be only one thing. That is nice language. It is not the language I would use as an engineer if I were to write about it, if I wanted anyone to understand it.

Mr. DONNELL. Has the Senator any objection to saying what language he would use?

Mr. MALONE. I should say, "Just drop the bars down, boys, and come on in." In other words, our workers who receive $8, $10, $12, or $14 a day will be competing with workers all over the world who receive $2 or $2.50, as well as with slave labor which receive 50 cents, which is a big wage for that kind of labor. We are placing the workingmen of America up against that sort of competition, and the language does not help.

Mr. DONNELL. Can the Senator inform me whether or not this communique has been placed in the RECORD today?

Mr. MALONE. I am not sure.

Mr. DONNELL. Would the Senator object if I were to ask unanimous consent at this time to have the communique issued by the three powers printed in the RECORD at the conclusion of the Senator's remarks and all colloquy relative to those remarks?

Mr. MALONE. I shall be very glad to have it printed in the RECORD.

Mr. DONNELL. Mr. President, I ask unanimous consent to that effect.

The PRESIDING OFFICER. Without objection, the communique will be printed in the RECORD, as requested.

Mr. MALONE. Mr. President, there is no question that there is only one objective. There has never been more than one objective. I refer to what I called it at San Francisco. After we had finished there, I came east, through Denver. A reporter came to me and asked, "What do you think of the negotiations?" He spoke in a breathless manner. Everyone was approaching this question in a breathless manner. We were going to settle the problems of the world and have perpetual peace. I said to this reporter, "There were 49 nations at San Francisco. Forty-eight of them had market baskets under their arms, and the United States was the only Nation which had anything to put in them. What do you think?" I still think so.

Every country needs and should have sound international trade, but such trade cannot be built on discriminatory tariffs, artificial rates of exchange, and political rather than economic considerations.

Of particular importance is the overevaluation of foreign currencies.

There might be some temporarily disconcerting results if all currencies were to settle down to their true values, but it would be no worse than the sword of uncertainty that now hangs over the British pound.

If we stop to think we realize that money plays no part in foreign trade. It is an exchange of products which are simply measured in money.

It is the goods content of any currency—its buying power at home—that determines its value. What determines the value of the dollar is its buying power at home; and that would determine the value of the pound sterling if it were let alone. If we let it alone for a little while, if we quit putting the dollar behind it by way of gift loans to bolster the false value, it would find its level very soon.

TRADE SHOULD HELP OTHERS WITHOUT HURTING US

We must trade with the entire world, but do so on a basis that helps the other fellow without hurting us.

There should be no such thing as high or low tariffs; there should be only proper tariffs flexibly arrived at to insure fair and reasonable competition. This is not a 6-month job. It is not a year's job. It is a job for generations.

What should we do about England? What should we do about the others? We must do our honest best to help the world to permanent economic stability.

There is one certain way which will fail to do this—by continuing to weaken ourselves.

The answer to prosperity for the Asiatic coolie is not poverty for the American worker. We must help all workers to start upward, not drive ourselves down.

This would protect the American worker and be a constant inducement for the countries which now exploit their workers to set their living standards more nearly on the American level. This would be a great boon to foreign labor.

In other words, Mr. President, during the present debate on this floor it was pointed out that when we lower the floor on wages or when we have a fixed tariff or fixed import fee which cannot be changed for 3 years, the incentive for other countries is to lower their costs and lower their wages, drive their workers down, in their standard of living, so as to reduce total costs and be able to come under the fixed tariffs. But if the tariffs had flexibility and were administered under a foreign-trade authority, as I suggest, which would be only the present Tariff Commission, but would be working in that field, the flexible import fee would take care of that situation. Then, when a nation tried to lower the wages of its workers, when it found that it was simply paying the difference into the Treasury of the United States, it would soon decide that it might as well pay that money to its own workers, instead of to the United States Treasury. In that case, all the nations would be working with us, instead of against us. In my opinion, that is what we must do if we are ever to make any progress in this world in respect to bringing about higher standards of living.

For example, if a nation knew that cut-price merchandise could not be sold in America, the price could be safely raised, and so could the wages of the workers who made the goods.

The extra price would also finance the purchase of machinery which would enable the workers to produce more with less time and effort.

In this country we have about 7 horsepower of electric energy for every worker. That fact is rarely mentioned. Workers in other countries have, in some instances, less than 2 horsepower per worker, and in some countries the workers have no electric energy at all available to help them. Of course, both the tools and the horsepower available to each worker increase the worker's production.

Mr. President, it is impossible to do in 3 or 5 years the job of raising the standards of living all over the world. It is impossible for the other nations to be able to build and finance great projects of this sort in a limited period of time. So we are talking about the work of generations—25, 50, 75, or in some cases 100 years. Think of the Chinese coolies. In China, I was fortunate enough to be able to go pretty well over the country. I was in Peking when the Communists were said to be 8 miles away from the city. They were the so-called agrarian Communists, that we heard about for so long. I was in a camp with General Fu and with a number of other Chinese generals. Without going into detail, let me point out that around Shanghai we saw Chinese coolies going up and down the canal bank, each with a long bamboo pole across his shoulders. Those coolies would go along the canal 10 or 15 miles, at a dog trot, carrying heavy burdens balanced on the ends of those bamboo poles. After carrying one heavy burden for 10, 15, or perhaps even 20 miles, they would deliver it at its destination, and then would pick up something else. Such labor scarcely can be said to result in a standard of living. Mr. President, we are about the only nation in the world that can have a real depression without having its people starve to death.

The promise of British prosperity did not come from the American worker, who is now paying the bill. It came from the British politicians; and its fulfillment is not, and cannot, be the responsibility of our people, who now are making the sacrifices that preserve what is left of the English illusion.

EQUAL ACCESS TO ALL MARKETS

I am sure no one wants to hold a tariff umbrella over the head of inefficient business. In America, which is more free of monopoly than any other country on earth, that could not be the case, because domestic competition is adequate to force maximum efficiency and alert technological improvements.

In such a policy, two situations are envisioned: Free currency valuation, and equal access to all markets.

A good example of the currency valuation handicap under which American industry is working today is found in the woolen business. America must go abroad for about two-thirds of its wool, most of which comes from the sterling area. The American purchasing agent goes into the market with pounds which cost his firm $4.03, while the English purchasing agent has pounds that cost less than $3. Our people are not allowed to purchase in the sterling area with pounds which cost us less than $4.03. On the brown market, pounds can be bought for as little as $2.10, but our people are not allowed to use them, whereas the English purchasing agent uses pounds which cost him less than $3. Our purchasing agents must go into the market with pounds costing $4.03. Yet, in the market place both of those pounds have identical purchasing power.

The matter of equal access to all markets goes hand in hand with honest currency value.

If nation X has something that America might want to buy, under present conditions it might be necessary for nation X to first sell the goods to nation Y, who, in turn, would sell them to us with a stiff markup.

The question may arise: Do we have any right to interfere with the policies of the nations with whom we deal?

The answer is found in the analogy of a banker who is considering an application for a loan submitted by a man who is known to have certain bad habits in the handling of money.

As long as the banker has made no loan, he has no right to criticize that man's way of life. But as a condition of the loan, it is his obligation to determine the proper safeguard, because he is the steward of his depositors' money. After all, it was not the banker who suggested the loan.

Mr. President, I say to you that the Senate of the United States is the steward of the money of the taxpayers of the United States; and it is the duty of the Senate, when it puts the money of the United States taxpayers into other hands, especially when it puts their money into foreign hands, to expect not only that repayment will be made but that fair treatment will be received and that the standard of living of the people of the United States will not be interfered with. After all, in the example I just gave, it was not the banker who suggested the loan; and, after all, it is not the Congress of the United States that suggests the loan in this case. It is the foreign countries that suggest the loan.

So we have the duty of stewardship for the money of our taxpayers. We should not pour out their money, to the extent of billions of dollars, with no chance of return and no chance of improvement in the condition of the people for whom the money is held in trust.

From the results obtained from the program to date, beginning with lend-lease, and then continuing with UNRRA, the British loan, the Marshall plan, ECA, and now with the newspapers full of reports about additional foreign requests for funds from the United States, it must be clear to almost everyone where we are headed with the particular type of help and assistance we are giving, and under the conditions under which we are giving it.

Similarly, when the administrators of the United States Government grant some of its taxpayers' money to a foreign country it has not only the right but the obligation to see that the recipient conducts himself in a fair and businesslike fashion.

Naturally everyone in business is going to jockey for a stronger position in the market place, but the present policies and practices of shearing Uncle Sam are beyond endurance.

There is a great demand today for some device to balance American foreign trade.

As a matter of fact trade balances itself in strange ways.

It was said that during the twenties America exported far too much and imported far too little.

Actually much of this so-called trade was not trade; it was a series of transactions under which American bankers sold the bonds of other nations to American investors and the money was used to buy American goods. That money was never paid. That is the way much of this money was raised and the way it was used.

These transactions were not trade until and unless the bonds were paid off, and huge quantities of them were not. The amount of these repudiations must be subtracted from the so-called export surplus. It is held up to the people of the United States of America that, as a result of the trade-agreements program, we have increased our foreign trade, when as a matter of fact I shall submit definite proof during the course of this address, proof by way of a table, showing that we have not increased our export trade one iota. We have simply increased it to the extent of our gift loans to the foreign nations.

Similarly, the huge imbalance in our present situation is not the result of genuine trade. The American taxpayer puts up the money, and the dollars are used to buy American goods. We are now the recipients of a further request, indeed it is more than a request, for in my humble opinion it has been agreed to secretly how the money will be spent. They will not even buy the goods

in America with the money we give them, so we can make further subtractions. This is not a sale; it is a gift, and when we talk about how much more we are selling than we are buying it is nonsense. To get our real trade balance we must subtract the amount of the gifts. The key to balanced trade lies in letting the people conduct it with free currencies.

Mr. President, the Government should never attempt to conduct it, in any case.

They make their bargains, arrange their payments, and settle up.

If there is a shortage of goods at one end of the line a special kind of goods—gold—is used to make up the difference.

Fair tariffs are no hindrance to this kind of trade.

As a matter of fact, fair tariffs help sound trade because they protect the stability and earning power of the other fellow's market.

The American worker is now the greatest market in the world, but if his employment and his wage standards were to be destroyed by free trade he would not be worth anything to anybody, including himself.

I shall explain what I mean by that statement. Here we are, with a national income of $226 billion. Every nation in the world has its eye on this income, this great purchasing power, and if they could get two or three or four billion dollars apiece of this income, they do not see that it could hurt us very much, and they would be rich. Let us see what it would do to us. Let us say we allow them to have $1 billion, $3 billion, or $5 billion of our national income; the more they take of this income, the less purchasing power the workingman of America has, and when his purchasing power is decreased, the amount of goods he can buy is decreased. We already have complaints from other countries that their trade fell off this year, because, as they called it, we had a recession. We did not have a recession. They were bringing in goods and cutting down our income. Therefore, we did not have the income that they thought we had with which to buy goods from them. So what happens? They come and get the income and put our workingmen on the street and they go on unemployment insurance. So it is a two-way thing, so far as we are concerned. The income stopped, and even they themselves do not have what they thought was here, and we do not have it, either.

BIPARTISAN-POLICY MYTH

Mr. President, I come now to something which has haunted the Senate ever since I have been a Member of it—the bipartisan-policy myth.

There can be no bipartisan foreign policy, first, until there is a foreign policy that stops at the water's edge.

This evident truth was first laid down by the late Senator Carter Glass, of Virginia, when he stated in 1941 that the foreign policy should stop at the water's edge. James F. Byrnes, a former Secretary of State, supported Senator Glass in his pronouncement that the foreign policy should in no way be connected with the domestic economy.

It will be remembered that the Republican conference at Mackinac Island held during the summer of 1941 formally established the principle that the domestic economy policy and the foreign policy must be two separate subjects, and that the State Department should have nothing whatever to do with forming the Nation's economic policy.

However, the present Secretary of State has attempted in every way possible to tie the two together, as witnessed by the testimony of Willard L. Thorp, Assistant Secretary of State, when he appeared before the Ways and Means Committee of the House in January of this year in support of the 3-year extension of the 1934 Trade Agreements Act now before the Senate, when he said:

"1. The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

"2. The 1934 trade-agreements program is an integral part of our overall program for world economic recovery.

"3. The International Trade Organization, upon which Congress will soon be asked to take favorable action provides a long-term mechanism—each part of this program is important. Each contributes to an effective and consistent whole."

Mr. President, the State Department has tied the domestic economy of this Nation to the foreign policy. Yet we have men on the floor of the Senate who still mouth the bipartisan policy.

It will be seen from the statements of the administration spokesmen that under their procedure a bipartisan foreign policy is impossible without extending it to national economic affairs.

The second step of the three-phase program was inaugurated through the 1934 Trade Agreements Act under which the State Department has adopted a selective free-trade principle, on the theory that the more we divide the markets of the United States with the nations of the world, the less their trade-balance deficits will be each year.

The 1934 Trade Agreements Act has been labeled "reciprocal trade," yet that phrase does not occur in the 1934 act—it is simply a catch phrase to sell free trade under a more appealing name. That is the significance of the proposed 3-year extension of the 1934 Trade Agreements Act which is before the Senate at this time.

The phrase "reciprocal trade" is just one more catchword boiled up out of a mess of catchwords and historic slogans such as "make the world safe for democracy," "the four freedoms," "the forgotten man," "economic royalists," "we owe it to ourselves," "we cannot be prosperous in a starving world," then comes the "bold new program," and dozens of other pithy expressions which divert the minds of men during times of extreme nervous stress and strain.

I wonder whether the American people will ever wake up and realize that some nation had better stay prosperous in a world that has had starving people through 5,000 years of recorded history. This dream of reciprocal trade, as now advocated in our world of plenty, will prove to be just one more method of dividing our substance with the nations of low-wage living standards by importing unemployment, instead of helping them to help themselves.

That is the answer, Mr. President, to the question of the senior Senator from Missouri as to what is meant by all the verbiage in the announcement of the New York Times regarding the international conference today.

THE COST OF OUR GIVEAWAY PROGRAMS: THE RUINATION OF AMERICA

Will we ever realize that huge loans and gifts to foreign nations, made without any definite international policy geared to our ability to pay, can only mean lower wages for Americans?

Will we ever understand that the pouring out of such floods of our substance—whether released by the direct action of congressional appropriations, by treaty commitments, forcing us to pay indirect reparations through one foreign nation to another; by the funds which come through the Import-Export Bank, through the securities sold to the American public by the World Bank, or by means of trade treaties which stifle our own production by importation of the merchandise and commodities of the low-wage nations of the world—that all this is all part of the grand plan directed at the same goal of lowering the standard of living of the American people?

Mr. President, every newspaper we pick up relates how some nation is going to get some funds from the Import-Export Bank. It is another kind of aid, but it will require appropriations, just the same.

THE LOSS OF OUR FOREIGN MARKETS

The 1934 Trade Agreements Act was passed for the purpose, among others, "of expanding foreign markets for the products of the United States." At another place I shall examine whether this purpose is still part of the trade-agreements program, and whether this objective was accomplished. The act did not increase the markets for the goods of the United States. In the postwar era, we are increasingly shut off from the markets of the world by an economic stranglehold.

Discrimination against American goods has never been worse than it is at present. The Trade Agreements Act provides the President with the power to enforce the reduction of barriers against United States commodities, but this power is not being used. Through the use of bilateral trade agreements—which are really barter agreements, of the kind Hitler used—the United States is shut out of more and more foreign markets. Our export markets in South America, Africa, and Asia are being reduced by barter agreement with European nations. Their number has increased beyond anything Hitler ever dreamed of. The United States is denied not only equal access but almost all access to the markets of all the nations of the world.

Mr. President, instead of increasing the foreign markets for goods of the United States of America, we have reduced our tariffs and import fees to an all-time low, and foreign nations have increased their controls, their quotas, embargoes, the manipulation of their currencies, the specifications, the licenses—every type of control has been invoked by foreign nations, and they have made trade a one-way street.

Not only do barter agreements exclude the importation of goods of American origin by other nations, but exchange control and other forms of restrictions are building a high wall of restrictions against our exports, while foreign nations piously sign trade agreements while we call for the reduction of tariff barriers.

1934 TRADE AGREEMENTS ACT DID NOT REDUCE TRADE BARRIERS

Instead of using the act for the purpose for which it was designed orginally, to increase markets for the products of the United States, and to decrease barriers against international trade, the act has become a hollow shell with respect to its original purpose, and has become a "foreign assistance" program, a weapon of the do-gooders, the fellow-travelers of foreign interests, in the State Department.

We are entitled to equal access to the markets of all the world, and we do not use the best weapon at our command to achieve that end.

TARIFFS ABROAD NO LONGER IMPORTANT

The tariff reductions which have been made under the authority of the 1934 Trade Agreements Act have not been international contracts where each party benefits by the other party's concessions. Instead, they have had the same effect as a one-way reduction of our tariffs by us would have had. Tariffs, except in the case of the United States, are no longer important barriers against the flow of international trade. They are minor factors.

Among the foreign nations using all the other forms of control such as barter agreements, exchange control, exchange manipulation, import licenses, quotas, and embargoes, tariffs have lost all effectiveness in controlling the flow of imports. The only and last country in which tariffs can still be effectively used in protecting the health of the domestic economy and the welfare of the country—where tariffs can still control the amount of imports—is the United States. We are losing access to foreign markets, and

are not doing anything about it. The Trade Agreements Act, as it is now used by the State Department, is not used to demand and enforce equal access to the markets of the world for the United States.

TRADE AGREEMENTS ARE IN REALITY TARIFF-REDUCTION AGREEMENTS

The name "trade agreements" for the treaties signed with foreign countries, under the authority of the 1934 Trade Agreements Act, is a misnomer if there ever was one. A trade agreement is an agreement between two nations for the interchange of specific commodities, either in terms of volume, or in terms of value.

The agreements which the State Department insists on calling trade agreements are in reality tariff reduction or import fee reduction agreements. They do not deal with the interchange of specific commodities, but provide for the reduction of tariffs. Although these so-called trade agreements are bilateral or multilateral in the sense that there are two or more parties to them, the fact that the tariff reductions by the foreign nations have been ineffective through the use of other, stricter forms of control over imports, have made these trade agreements really one-sided tariff reductions.

The United States, through the hands of the State Department, has reduced the tariffs and import fees on imports into the United States without getting anything in return from other nations.

Under the authority of the 1934 Trade Agreements Act, no trade agreement has ever been made. But our tariffs are now among the lowest in the world and do not constitute a barrier against imports. Had the 1934 Trade Agreements Act been called by the right name, a Tariff Reduction Agreement Act, I wonder whether the State Department propaganda machine would have been quite so successful in selling the free-trade philosophy to the American people.

SUSPENSION OF BENEFITS NEVER USED TO REDUCE BARRIERS

The 1934 Trade Agreements Act provides "That the President may suspend the application" of lower tariffs and import fees "to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts and policies which in his opinion tend to defeat the purposes set forth in this section." The act says, further: "The President may at any time terminate any such proclamation" of lowered duties "in whole or in part."

Those provisions give the administration a strong weapon to enforce the reduction of the barriers against international trade. The ever-growing discriminations against the exports of American goods could have been prevented, but they were not. Foreign countries could have been forced, at the danger of losing the advantages of low American tariffs, to lower the barriers which have taken such varied forms, particularly since the end of the Second World War, but the State Department elected to reduce our tariffs and import fees more and more without regard for the increasing restrictions against us abroad, nor for any injury to domestic industries or the workingmen of America.

The provision in the 1934 Trade Agreements Act for the suspension of the lowered tariffs or import fees on imports from a country discriminating against American commerce has only been invoked twice during the 15 years of the act. Before the war Germany, and for a short while Australia, were found to discriminate against American exports, and were therefore not given the benefits of the reduced tariff rates set in the trade agreements negotiated with other nations. But, Mr. President, no other restrictions have been invoked.

At the present time the provision is not being applied at all. Our low rates of duty apply to all the nations of the world. I am very conscious of the fact, however, that almost all countries do discriminate against American exports, through the various strict controls which I mentioned earlier.

BARRIERS AGAINST UNITED STATES GOODS

What are the restrictions which foreign nations have put about against the imports of the United States?

There are several kinds of barriers to international trade aside from the mildest one, tariffs. One of the easiest to apply, and one of the most efficient, is foreign-exchange control. This is only effective, however, in countries whose currency is not freely acceptable and convertible into others in foreign trade. For example, a French importer is unable to purchase American goods for francs. He must purchase dollars at his bank, and this purchase of dollars can be easily controlled by the French authorities by withholding issuance of dollars for nonessential purchases.

Another frequently concurrent control over imports is exercised by import licensing. In this case the importer has to apply for and obtain a Government permit to import certain commodities.

I might say that a shining example of such control is operated by the Dutch Government in Indonesia. They control all of the importers and exporters. They have about 5 importing firms, and nothing can be taken into the country unless it goes through one of these importing firms. Further, they control how much goes to an Indonesian who sells a dollar's worth of goods, to America, for instance, because the Indonesian does not get the dollar, it goes into the exchange pool which I have explained earlier. So the Dutch have complete control. They have the police control, they have the import and export control, and they have the money-exchange-pool control. That, Mr. President, constitutes control of the nation. It is practiced in all the empire-minded nations' colonies. The difference lies just in the matter of degree.

In some countries having exchange controls in addition to the licensing system, the foreign exchange is made available automatically after the issuance of the import permit. In other countries, having both controls, an exchange permit has to be obtained separately, with no guaranty that the issuance of one will be followed by the issuance of the other.

A third form of nontariff barriers exists in the form of bilateral clearing or compensation agreements. This control is independent of tariffs. In this type of discrimination purchases of goods are arranged between two nations, up to a certain value each way. The importer has no chance to go to the market place for his goods, to obtain them for the best price, and under the best terms, but he is restricted to buying commodities from the nation with whom the bilateral clearing agreement is in force. Although an agreement of this sort leaves the importer a certain freedom of choice regarding what commodities he wants to purchase it is restrictive in keeping other nations from entering the market.

Mr. SALTONSTALL. Mr. President, will the Senator from Nevada yield that I may suggest the absence of a quorum?

Mr. MALONE. I shall be happy to yield if I do not lose the floor.

Mr. SALTONSTALL. With that understanding, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may withdraw my suggestion of the absence of a quorum, and that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Nevada may proceed.

Mr. MALONE. Mr. President, other forms of controls that are entirely separate from tariffs, include the setting up of embargoes against goods from a certain nation. They operate just as the amendment offered by the distinguished Senator from West Virginia [Mr. KILGORE] which would bar the importation of certain types of glass and handmade crockery from the United States.

Mr. President, the junior Senator from Nevada would be greatly disappointed to see the Senate and the Congress of the United States prolong the 1934 Trade Agreements Act, which, in my opinion, would result in quotas being invoked in this country next year not on one product alone, but on hundreds of products, in an effort to save the American workingman.

The most vicious of the restrictive trade policies which are being followed by all the nations of the world, with the exception of the United States, is the negotiation of the so-called bilateral trade agreements. These agreements, which are in reality barter agreements, provide for the interchange of specified commodities in specified amounts or value. This completely disrupts the normal channels of international trade, and is used to great advantage for political purposes.

That is a practice in which our Nation has never indulged, but it is a practice in which the other nations of the world have always indulged, and has been accentuated now because of the 1934 Trade Agreements Act, which has made it possible to tie our hands with a low tariff so other nations can manipulate their trade in any way they want to, through embargoes, quotas, currency monopolies, or licenses or specifications, and we are helpless. We shall be helpless until we wake up. Then we will indulge in the same practice. But where will it get us, Mr. President? It will get us nowhere.

Other methods of nontariff import controls may also well be used. A nation may call for specifications in the imports of certain goods which can only be filled by the products of a certain nation. For example: A nation specifies that only trucks or automobiles of a certain weight may run on the roads of one of its colonial possessions. Oddly enough it happens that this particular nation is the only one which makes such a truck or automobile. This certainly is a barrier against the free flow of international trade. This particular wrinkle has been used successfully in Bermuda, where only automobiles of British origin fill the allowable specifications to run on the island.

One of the more devious methods to control trade is the manipulation of currencies. This method, however, I have elaborated at a different point in my address. Its ramifications extend far beyond the tariff field, and I shall merely mention it here as one of the factors used to control imports, and to upset the normal flow of commodities in international trade.

The result of all these restrictive practices is the maintenance of political power over colonial areas and territories, and the channeling of trade for political purposes. The State Department and the President have not used the weapon at their command to reduce these restrictive practices, but have used the 1934 Trade Agreements Act for a purpose for which it was not designed—the unilateral reduction of United States tariffs and import fees.

Mr. President, according to the reports appearing in the New York Times of this morning, and in other morning newspapers, the State Department and the President not only have not used the weapon at their command to reduce these restrictive practices, but they have entered into an agreement, in my opinion a secret agreement, to allow these practices to continue.

RECIPROCAL TRADE ACT IS A PROPAGANDA WEAPON

Mr. President, as I have said before, the 1934 Trade Agreements Act is frequently

referred to as the Reciprocal Trade Act, even here on the floor of the Senate. Webster's International Dictionary defines reciprocity as follows:

"That relation or policy as to trade or other interests between countries under which special advantages are granted by one side in consideration of special advantages granted by the other."

First of all, the word reciprocity or reciproca does not appear in the 1934 Trade Agreements Act, except in relation to the Cuban-United States agreement of 1902, and that is just as well. The benefits which we extended to foreign nations in our trade agreements have certainly not been reciprocated. The benefit which we gave the other party to our so-called trade agreements was the reduction of our tariffs. In return the foreign nation was to reduce its tariffs.

Legally speaking, they have done that as a stratagem, but have immediately nullified the tariff reduction by the imposition of some control over imports much more effective than the former tariff. Frequently currency devaluation was used to reduce the benefit which was to accrue to the United States from their reduction of tariffs. Yes, they did reduce their tariffs, but, before any court of the United States that kind of evasion of performance of a contract would have invalidated it. However, the State Department and the President have accepted the discrimination that resulted from the nonperformance of the contract. In fact, then, the operation of the 1934 Trade Agreements Act has not resulted in reciprocity for our tariff reductions, and we have given something for which there was absolutely no return benefit.

I charge that the use of the phrase "reciprocal trade" was merely a catch phrase to make the Trade Agreements Act palatable to the American people. "Trade" is desirable, and so is "reciprocity." Anyone will express himself in favor of those words, and that was the basis of the propaganda that has been pouring from the State Department and the proponents of the Trade Agreements Act for 15 years. "Free trade," too, is a highly desirable objective, and it has been sold to the American people, along with "reciprocal trade." Yes, free trade is desirable if it can be pursued without injury to our domestic economy. But if "free trade" is to be achieved at the cost of the American wage standard of living, if it is to be achieved at the cost of American unemployment, and reduction and extermination of our domestic industries, it is a dangerous phrase and one that should be labeled "dangerous trade propaganda."

It is a curious coincidence that Karl Marx once said that "The free-trade system hastens the social revolution." If we want free trade, we must realize that it is only feasible between equals, equals in standards of living and in productivity. If we desire free trade today, we cannot have it between equals, and it only results in bringing down our standard of living to that of the people whom we have tried to benefit. The result will be a United States which is weak and destitute, and the last example in the world of the benefits of free enterprise will have vanished from the face of the earth.

Here is an example of what happened in the operation of our trade agreement with the United Kingdom.

UNITED KINGDOM INCREASES BARRIERS TO AMERICAN EXPORTERS

Under the authority of the Trade Agreements Act of 1934 a trade agreement was entered into with the United Kingdom in 1938 which became effective in 1939.

This trade agreement was to reduce tariffs on products imported from the United Kingdom in exchange for their reducing barriers to our exports to their country. In other words, the purpose of the agreement was to increase United States exports to the United Kingdom in exchange for increased imports into the United States from the United Kingdom. What has been the effect of this trade agreement?

Since the end of the war in 1945 the United Kingdom has been raising various types of barriers to United States exports and the exports of other countries. These barriers take the form of exchange controls, import licensing, and embargoes or absolute prohibition of imports of certain commodities.

One of the most interesting components of this system of barriers raised by the United Kingdom against imports was the establishment by the British in 1946 of the token import plan. This plan is still in effect and limits the import of 200 different products into the United Kingdom to 20 percent, Mr. President, of such imports during the 3-year base period 1936, 1937, and 1938, prior to the war. The sum total of the imports from the United States of these 200 commodities during the prewar base period was $15,000,000 per year, hence, imports into the United Kingdom from the United States of these 200 commodities is now limited to $3,000,000 per year. That agreement is still in effect. Do we see any reciprocity in that arrangement?

The exports from the United States to the United Kingdom and imports from the United Kingdom into the United States by years from 1930 to the present are shown in table I.

I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

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

TABLE I

Year	Exports from United States to United Kingdom	Imports from United Kingdom to United States
1930	$678,000,000	$210,000,000
1931	456,000,000	135,000,000
1932	288,000,000	75,000,000
1933	312,000,000	111,000,000
1934	383,000,000	115,000,000
1935	433,000,000	155,000,000
1936	440,000,000	200,000,000
1937	536,000,000	203,000,000
1938	521,000,000	118,000,000
1939	505,000,000	149,000,000
1940	1,012,000,000	155,000,000
1941	1,637,000,000	136,000,000
1942	2,529,000,000	134,000,000
1943	4,505,000,000	105,000,000
1944	5,243,000,000	84,000,000
1945	2,189,000,000	88,000,000
1946	856,000,000	156,000,000
1947	1,103,000,000	205,000,000
1948	[1] 644,000,000	290,000,000
1949: January to June	391,000,000	112,000,000

[1] Of this $499,000,000 was ECA financed. Commercial exports derived by subtracting ECA-financed exports from total exports.

Source: Department of Commerce, Office of International Trade.

Mr. MALONE. This table shows that the treaty went into effect in 1939. At that time we had $505,000,000 of exports from the United States to the United Kingdom. Excluding the years 1940 to 1945 inclusive, which took in the war years, we skip to 1946, when we had $856,000,000 of exports to Great Britain. In 1947 we had $1,103,000,000 worth of exports to Great Britain; in 1948, $644,000,000. Subtracting the amount of our contribution in goods to Great Britain, which is included in the $644,000,000 we find that we get about $145,000,000 worth of exports. That is what the trade agreement with Great Britain has done for us. In 1939 there were $505,000,000 worth of exports. In 1938 the amount was $521,000,000; and in 1937, $536,000,000. For prior years it was sometimes slightly less and sometimes slightly more, back to 1930. But when the great exodus of cash to the nations of Europe started, if we subtract the $499,000,000, it leaves very little on our side of the ledger.

Of the total exports of $1,035,000,000 from January 1, 1948, to June 30, 1949, $536 million were paid commercial exports. This is an annual average of $357 million. The annual average for the 2 years 1937 and 1938, prior to the trade agreement with England, was $528 million. Hence, our commercial exports to the United Kingdom during 1948 and 1949 have been far below what they were prior to the 1939 trade agreement. In fact, our commercial exports are running only 68 percent of the pretrade-agreement level.

On the other hand, our imports from the United Kingdom since the 1939 trade agreement with them, which provides for lower tariffs on our part, have increased. The value of our imports from the United Kingdom for the 2 years, 1937 and 1938, before the trade agreement averaged $161 million annually. For the past 2½ years, ending June 30, 1949, our imports from the United Kingdom have average $240 million. This is an increase of 49 percent over the annual pretrade-agreement average.

I ask Senators to consider for a moment the tremendous decrease in our exports to the United Kingdom and the tremendous increase in their exports to us, since the signing of the trade agreement between this country and the United Kingdom.

In summary, then, we find that the consequence of our trade agreement with the United Kingdom which first became effective January 1, 1939, has been a decline of 32 percent in our exports, and an increase of 49 percent in our imports from the United Kingdom.

It is perfectly clear from these facts that the theory upon which the trade-agreements program was based has proven absolutely false. If they had not invoked the quotas, embargoes, currency manipulations, and the dozens of other subterfuges to prevent our exports from reaching the United Kingdom, it is perfectly possible that some good might have come from the agreement; but the provision of the 1934 Trade Agreements Act has not been utilized to reduce these barriers to our exports to the United Kingdom.

The New Dealers urged the passage of the Trade Agreements Act to increase our exports. They sold the American people on the theory that any lowering of our tariffs would be accompanied by a corresponding lowering of the barriers to our exports on the part of foreign countries with whom we made trade agreements. It has not worked that way at all. We have lowered our tariffs, while many of the nations with whom we have made agreements—and the United Kingdom is an outstanding example—have increased their barriers to our exports. There is nothing reciprocal about such trade agreements.

Let me repeat that we lowered our tariffs on English goods in what we believed was a reciprocal trade. But England has increased her barriers against our exports. The result is that our commercial exports to England have fallen off greatly since the trade agreement, while our imports from England have greatly increased. Great Britain is one of the 3 nations which have just completed an international conference here. Further concessions to Great Britain were requested, further entree into the markets of the United States, further lowering of customs barriers, and thus further lowering of the floor under wages. All this means importing more unemployment into the United States. The present administration has the brass to call this a Fair Deal. If this is what the President and the State Department mean by Fair Deal, it is time for a fresh deal as well as a new deck.

MOST-FAVORED-NATION TREATMENT AND RECIPROCITY ARE PARADOX

I stated earlier that reciprocity was not part of the effect of the 1934 Trade Agreements Act. There is another reason why the benefits from the trade agreements could not well be reciprocal. The trade agreements made under the authority of the act have always included the most-favored-nation

clause in its unconditional form. Reciprocity in trade agreements, and the application of the most-favored-nation clause are really two diametrically opposed concepts.

I shall cite several reasons why this is so. The most-favored-nation clause guarantees that tariff reductions on any given commodity apply to imports from all sources, unless they discriminate against American exports. This reduced rate, then, is applicable to every other country wanting to export to the United States. "Reciprocity," however, means that a special benefit is given to a country in return for an equivalent benefit. It hardly seems that those two terms can live together very happily.

Friends of the trade-agreements program point out that tariff negotiations with a specific country concern only those goods of which the negotiating country is the major supplier. If this were always true, we could assume that the contracting party would be the principal beneficiary under the trade agreement. Unfortunately, there are a good many cases in which a trade agreement has been negotiated reducing the tariff on a specific commodity of which the other party was the principal supplier, but after the reduction, some third nation would suddenly expand the production of this commodity and take over the supplier position. The third country, we must remember, could enter its imports at the same favorable rates as the first one, through the operation of the most-favored-nation clause.

That brings me again to the point that while a tariff on any commodity might correctly represent the differential in cost of production or cost of manufacture in competition with our own higher cost of production at a particular moment, within 6 months or a year, the economies of all nations being in a state of flux, changing relationships might result in the tariff not correctly representing the differential.

In other words, this is not the only point where another nation may take more of an advantage of the markets through a reduction of the tariff. Also, Mr. President, the economic relationships between nations change, just as the economic relationships between individuals change, over the years. They are always in a state of flux. Therefore, it is utter idiocy to say that a 3-year agreement can be made to apply for the full 3 years to the changing economic relationships between 2 nations. That simply cannot be done.

That situation clearly demonstrates the advantage of a flexible import fee under which a Foreign Trade Authority would have absolute latitude, just as the Interstate Commerce Commission does in the fixing of freight rates, to adjust the import fee either up or down, according to the changing economic conditions between nations or, as I have already said, in connection with the manipulation of currencies or the purchasing by governments, to undersell goods in our markets, to secure dollars to be traded elsewhere at a profit.

Mr. President, whenever the statement has been made on the floor of the Senate that some conditions should be attached to the ECA money or the Marshall-plan money we give to foreign countries and that that money simply should not be given to foreign countries in the way a profligate person might be given sufficient money to last him for a year, and then be permitted to dissipate it, we have been told that no conditions should be attached to the money we give to other nations. Many Senators have offered perfectly fair amendments, which it would be proper to adopt if the money is to be spent for the purposes stated. However, all amendments were rejected; we were told that no amendments whatever could be added to the bill, that this is a sacred thing which cannot be touched.

Why were the amendments rejected? Why was there a complete unwillingness to accept any amendments? It was because of the argument that we in the United States cannot direct what another nation shall do; we must let each of the other nations have the kind of government it wants. I agree that we should let other nations have the kind of government they want; but let them have the kind of government they want at their expense, not at ours. The final result is that we have inserted no amendments at all; we have provided no limitations at all.

However, we have learned from sad experience what happens when we give money, without limitation, to other nations. This is not the first time we have had such a sad experience. I served, along with many others, in the First World War; and we know that following that war, money was borrowed from the United States by various European countries, although generally under a different name, but, whatever they were called, the repayment was of the same kind—in other words, none at all. So we have learned, the hard way, that we cannot control other nations.

Therefore, Mr. President, let us have an American program so that it will be to the interest of the other nations to do the right thing—to raise the standard of living of their people and to have good government. Then let them run their own government; but in such case their interests will be in common with ours, because they will know exactly under what conditions they can reach our markets, namely, on the basis of fair and reasonable competition.

FLEXIBLE-IMPORT-FEE SYSTEM GUARANTEES FAIR COMPETITION

The flexible import fee bill which I have offered as an amendment to the pending bill would immediately establish a fair and reasonable competitive basis for markets all over the world. That is all that any business in the United States has ever requested. Why should a foreign nation ask for more?

I have already referred to a case in which a third nation would suddenly expand the production of a certain commodity and thus take over the supplier position. Such a third country, we must remember, could enter its imports at the same favorable rates as the first one would have, through the operation of the most-favored-nation clause.

However, not only did this take place, but frequently the trade agreements affected the tariff rate on commodities for which the negotiating country was only a minor supplier. Let me cite you two examples:

During the prewar decade, France supplied only 17 percent of the rayon broadwoven fabrics imported into the United States, whereas Japan supplied 46 percent. Yet the rate of duty on this commodity was reduced in the trade agreement with France, effective in June of 1936. In this case one can hardly speak of negotiating with the primary supplier. In the same trade agreement with France, silk-woven fabrics were affected by tariff reductions, although France accounted for only 8 percent of the imports of that commodity in the period 1931–40, whereas Japan accounted for 75 percent. In this case the tariff negotiations and reductions were made with a country which supplied less than 10 percent of that commodity.

The record shows that during the life of the amendment to the Tariff Act of 1930, the so-called 1934 Trade Agreements Act, 1 of our 2 most dangerous enemies, namely Japan, received the same reductions of duties which were extended to all countries with which we had trade agreements, simply through the operation of the most-favored-nation clause.

On the question of the anomaly of reciprocity and the most-favored-nation clause, the Geneva Agreements for Tariff and Trade, concluded in Geneva in October of 1947, are a good example of what is being done. The special privilege extended to us by each of the participating nations became available to all the nations of the world. In other words, the benefits accruing to the 23 member nations of the GATT are automatically extended to all the nonsignatory nations, including our former enemies.

TRADE AGREEMENTS ACT HAS NOT INCREASED UNITED STATES EXPORTS

I mentioned earlier that the avowed purpose of the 1934 Trade Agreements Act is to expand the foreign markets for the products of the United States. We have been told, time and time again, that this has indeed been accomplished. We have been shown statistics which purported to demonstrate that United States trade with trade-agreement countries increased at a greater rate than with the non-trade-agreement countries. Let us look at the record, so far as it pertains to the exports from the United States to trade-agreement countries and to non-trade-agreement countries.

Mr. President, I submit in this connection a table entitled "The Effect of the 1934 Trade Agreements Act on United States Exports." I ask unanimous consent that the table be printed at this point in the RECORD.

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

The effect of the 1934 Trade Agreements Act on United States exports

[Table showing the percentage of total United States exports (including reexports) going to the listed countries. Countries 1 to 8 are those with which the United States has had trade agreements during the period shown; countries 9 to 17 did not have trade agreements with the United States. Percentages are based on dollar values. (Compiled from U. S. Government sources.)]

Country	1933	1934	1935	1936	1937	1938	Effective date of trade agreements
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	
1. France	7.26	5.42	5.12	5.28	4.91	4.32	June 1, 1936.
2. Netherlands	2.9	2.39	2.15	2.16	2.79	3.12	Feb. 1, 1936.
3. Belgium	2.58	2.34	2.55	2.4	2.84	2.49	May 1, 1935.
4. Switzerland	.448	.395	.333	.312	.287	.342	Feb. 15, 1936.
5. Canada	12.6	14.2	14.1	15.7	15.2	15.1	Jan. 1, 1936.
6. Brazil	1.78	1.89	2.0	2.0	2.04	2.0	Do.
7. Cuba [1]	1.5	2.13	2.62	2.75	2.75	2.46	Sept. 3, 1934.
8. Sweden	1.11	1.55	1.67	1.76	1.9	2.07	Aug. 5, 1935.
9. United Kingdom [2]	18.6	17.95	18.9	17.92	16.0	16.8	None during period.
10. Norway	.424	.527	.596	.630	.663	.730	None.
11. Czechoslovakia [3]	0.094	0.129	0.141	0.190	0.395	0.86	Apr. 16, 1938.
12. U. S. S. R.	.536	.705	1.08	1.36	1.28	2.25	None.
13. Japan	8.53	9.89	8.9	8.34	8.62	7.75	Do.
14. Australia	1.57	2.02	2.49	2.38	2.19	2.23	Do.
15. Italy	3.66	3.03	3.16	2.49	2.29	1.88	Do.
16. Mexico	2.24	2.58	2.87	3.1	3.26	2.0	None during period.
17. Argentina	2.2	2.0	2.16	2.32	2.8	2.8	Do.

[1] Cuban preferential tariffs were maintained, but under the trade agreements her comparative preference was increased.

[2] Trade agreement with the United Kingdom did not become effective until Jan. 1, 1939.

[3] Trade agreement went into effect Apr. 16, 1938, therefore figure for 1938 should be ignored.

NOTE.—Germany is not listed in this chart, since the most-favored-nation commitment to Germany was terminated Oct. 15, 1935, and thus she was, with Australia (from August 1936 to February 1938), only nation that did not benefit indirectly through the lowering of tariffs under the 1934 Trade Agreements Act.

Mr. MALONE. Mr. President, the table I have just submitted shows no significant difference in the percentage, based on dollar values, of United States exports going to either trade-agreement countries or non-trade-agreement countries in the period 1933–39, a period more closely normal than either the World War II period or the postwar period. Five of nine countries listed, which did not have a trade agreement with the United States during this period, showed an increase of the percentage of United States exports they absorbed. Of eight countries which did have trade agreements with the United States, starting at some time during this period, as indicated on the margin of the table, only three showed significant increases in the percentage of United States exports they purchased. The remaining countries of each group showed either an erratic fluctuation or an actual decrease in their percentage of exports to the United States.

These figures certainly disprove the contention that the 1934 Trade Agreements Act has increased the export markets for the United States. At best, they prove that the trade agreements have not changed the percentage distribution of United States exports significantly. One might even deduct that the non-trade-agreement countries increased their purchases from the United States, as expressed in the percentage of exports going to these countries, whereas the countries with which we have had trade agreements declined in their percentage participation in United States exports. The purpose of the act has certainly not been accomplished, even during a period in the world's economy which was much more normal than the present.

I have pointed out earlier that the 1934 Trade Agreements Act did not increase the exports to the trade-agreement countries any more rapidly than exports to the non-trade-agreement countries.

Mr. President, I ask to have printed in the RECORD at this point in my remarks the table to which I have referred, entitled "Relation of U. S. Exports to U. S. Production Before and After Government Loan-Gifts, 1909–1949."

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

TABLE 2.—*Relation of United States exports to United States production before and after Government loan-gifts, 1909–49* [1]

Year	Total production of exportable goods	Exports, United States merchandise	Percent of total	U. S. Government grants and loans	Exports minus United States grants and loans	Percent of exports minus United States grants and loans to total exportable goods
	Billions	*Billions*		*Millions*	*Billions*	
1909	$17.4	$1.7	9.8			
1914	20.2	2.1	10.3			
1919	47.5	7.8	16.3	$2,539		9
1921	33.9	4.4	12.9	28		
1923	44.8	4.1	9.1	−70		
1925	47.2	4.8	10.2	−8		
1927	47.5	4.8	10.0	−53		
1929	52.8	5.2	9.8	−14		
1931	32.0	2.4	7.4	7		
1933	25.2	1.6	6.5	5		
1935	33.1	2.2	6.8	0		
1937	43.5	3.3	7.6	48		
1939	41.4	3.1	7.6	16		
1941	65.1	5.0	7.7	1,348	$3.7	5.6
1942	89.0	8.1	9.1	6,434	1.6	1.8
1943	110.7	12.8	11.6	12,767	.1	.1
1944	115.0	14.3	12.4	14,016	.24	.2
1945	103.8	10.3	9.9	7,659	2.7	2.6
1946	100.4	10.0	9.9	5,053	4.9	4.8
1947	130.0	15.2	11.7	5,712	9.5	7.3
1948	[2] 145.4	12.6	8.7	4,658	8.0	5.5
1949, first quarter	[2] 36.0	3.3	9.1	1,568	1.7	4.7

[1] Figures in this table secured from the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce. Table prepared by J. B. Crane and C. E. Toro.
[2] Estimated.

NOTE.—For the 6-year period, 1922–27, exports averaged 9.7 percent of United States production of exportable goods; for the 6-year period, 1942–47, exports, minus United States grants and loans, averaged only 2.9 percent of United States production of exportable goods.

Mr. MALONE. The table which I submitted for the record dealt with United States exports during the years 1934 to 1938. This period was taken on purpose because the world economy during that period was more normal than the years following.

During the postwar period we have exported in the neighborhood of ten to twelve billion dollars worth of goods, and we are being high-pressured into appropriating billions of dollars to hold up our exports. If the propaganda machine is not quite frank enough to state the objective so clearly, it is only a thinly disguised propaganda veil.

The extension of the 1934 Trade Agreements Act is merely one part of this foreign-relief program which may benefit some of the domestic producers temporarily, but will spell ruin to the wage standard of living of the American workingman and the American producer alike, in the long run.

AMERICAN INDUSTRIES MOVING ABROAD AS RESULT OF LOW TARIFFS

Mr. President, at this point I should like to say we have in this country many producers of heavy goods, heavy fabricated material, such as machinery, automobiles, typewriters, and road machinery, which temporarily, foreign countries are unable to make in large quantities. I say temporarily because, as explained earlier in the day by the distinguished Senator from Wisconsin [Mr. MCCARTHY], businessmen, processors, and manufacturers are already thinking, in view of the great point 4 program, the bold new program to guarantee investments, of moving their heavy machinery to other countries, taking their foremen, superintendents, and principal workers to direct the low-cost labor, and to produce machinery at a cost lower than that at which it can possibly be produced in the United States. What happens? When that occurs, just so soon as it has a chance to become effective, they will not only serve the available area in the foreign nations which the great Marshall plan was supposed to develop in order to improve the market for the products of the workingmen and industries of America, but, through this great free-trade method of lowering our import fees and tariffs to a point where there is no competition, they will send the commodities thus manufactured into this country. They will do that, just as Jim Rand, of the Remington Rand Co., my good friend, intends to ship typewriters from Scotland and Ontario, Canada, into this country. He has already abandoned his plants in New York City, leaving several thousand employees there to shift for themselves.

I do not blame Mr. Rand. Those who have created the machinery which has changed the economics of the situation so as to make feasible this kind of trade in foreign-made typewriters should be blamed. The situation is changed. The area of feasibility is changed. Mr. Rand can take his machinery to Scotland, but the workers of America cannot go to Scotland, and they cannot go to Ontario and take the wages they would have to take there, because it would lower their standard of living to such an extent their children would not have an education. They would not know what to do there. Our workers cannot move. Money is fluid; it can go any place; money can be invested any place; but workers cannot be moved from one country to another—not our workers. I may say that heavy machinery, such as automobiles, and the machinery already described are the only things which will not be hurt almost immediately. Everything else will be hurt as soon as the buyer market becomes straightened out; indeed many industries are hurt now, as I shall later show.

For the benefit of some of the export industries, the taxpayer of the United States is paying for the goods which show up so proudly on our export statistics. Approximately 25 cents out of every tax dollar goes to the conduct of our foreign relations.

Let us take a look at the exports from the United States which are normal commercial transactions, in other words, exports which are paid for by the earnings of foreign nations, and not by the taxpayer of the United States.

The following table lists the production of exportable goods in the United States, and the percentage exported. Between 1909 and 1941 the percentage of the exportable goods actually exported has run from 6.5 percent to 12.9 percent with the exception of 1919, when the percentage was 16.3 percent. During that year United States Government grants and "loans" amounted to $2,500,000,000.

Since 1942 the percentage of exportable goods actually exported has ranged from 7.7 percent to 12.4 percent. The 1949 rate of exports, based on the first quarter, is 9.1 percent.

However—and here comes a little leveling off, looking at the situation as it actually exists—if we subtract from the values of exportable goods actually exported the amounts of United States Government loans and grants, we arrive at figures which show how low really the normal exports from the United States are. Ignoring the period during which lend-lease was in operation, the percentage of exports minus United States loans and grants amounts to only 4.8 percent in 1946, 7.3 percent in 1947, and 5.5 percent in 1948. Based on the rate for the first quarter of 1949, the "normal" exports amounted only to 4.7 percent of the production of exportable goods in the United States.

Mr. President, I shall state why I had the table made up. We get information on every hand. Consider the increase in exports—$12 billion. Exportations from the United States to foreign countries have not changed materially in percentage over the course of 30 years, when we subtract from

the exports the amount of dollars given to the nations to buy our goods. In other words, we are in exactly the same position as the grocer who feels his business is slipping. He goes to a bank and says, "I want to borrow some money. I want to borrow $10,000. I am losing my business. I am going to give this money to my customers. The customers are going broke." Perhaps he can make the banker believe it, the first time, and he gets the $10,000 and puts it out in the neighborhood. He gets back about 50 percent of it and does quite a business. But finally he fails to convince the banker, so he goes out of business. There is only one real difference between an individual conducting his business in an unbusinesslike way and a nation following the same course. The individual is through when his banker quits him. A nation is through when its money has but little value. That is the only difference. So I would describe table 2, which I have submitted for the RECORD, "Relations of United States Exports to United States Production Before and After Government Loan-Gifts, 1909-1949."

I may say to the Senate it will be a revelation to many to see how it acts, after we subtract the money taken from the pockets of the taxpayers of America. Some of them are beginning to object quite strenuously to keeping up foreign trade on that basis, I may say. The first column gives the year. The second column shows the total production of exportable goods, in billions of dollars. The third column shows the exports of United States merchandise, in billions of dollars. The next column shows the percentage. We then come to the column headed "United States Government grants and loans," stated in millions of dollars, which, subtracted from the column showing total production of exportable goods, gives another percentage figure, and so on. The next column shown exports minus United States grants and loans, in billions of dollars, and that gives an entirely different figure. In the last column is the second percentage—the percentage of exports minus United States grants and loans to total exportable goods.

That, Mr. President, tells the tale. That tells us where our money is going and just what kind of effect it has on our foreign trade. It is very revealing, I may say.

These figures show that the exports of goods from the United States has decreased consistently, if we take into consideration the exports for which the American taxpayer puts up the funds.

To talk about the 1934 Trade Agreements Act increasing the markets for the goods of the United States is plainly silly, in the light of these tables. Anyone can increase exports, if he wants to start exporting gifts. Philanthropy is a fine virtue, but if, in the guise of philanthropy, we use the funds of the taxpayer to foster the existence of empire nations, the exploitation of the subjugated peoples of the world, all we shall earn for our so-called philanthropy is hatred and the growth of alien political philosophies abroad. The active support we are giving to the socialist countries, which are socialist in their home countries, and empire-minded abroad, may well spell the doom of the United States as we now know them.

EMPIRE NATIONS STILL EXPLOITING COLONIAL PEOPLES

Mr. President, I want to say to the Senate that it was my good fortune to spend a little time in the Tropics, in Batavia, in Indonesia, where the new government was established and which the Dutch knocked over a little later through the use of our money. We are spending millions of dollars over there to keep the people under the colonial yoke. The same is true in Singapore, Saigon, and Indochina. I visited those nations and found, first, that the empire-minded nations did not give the residents of those countries a fair share of the earnings. I have already described how they do it through an exchange pool in Indonesia, and it is done to a little lesser degree on the same principle in the other nations I have mentioned. But this may not be the most serious part of the picture over there. We have stated that under the United Nations every nation is going to be free. That is what was said in San Francisco. Every nation is going to shift for itself. It is going to hold up its head and have a higher standard of living. Why are we pounding the ears off the little Far Eastern people, furnishing money to buy the guns to do this job? What are we going to do with Holland or England or France if they lose their colonies? I do not know. But over a period of 2,000 years there has been a great deal of progress. Not always the same people have been progressing. If we are to stop all this progress, it will be quite a job.

The worst thing, in my opinion, is the fact that the people of the Far East know we are spending this money, they know where the money is coming from, and they know the Dutch would not be in Indonesia if it were not for the money coming from the United States. The Malayan people know that the English would not be in Singapore if it were not for the money coming from the United States. So what is the effect? It is not hard to guess. We are furnishing the money to keep them under the colonial yoke. Russia has promised them relief from the yoke. So, without any fanfare of drums, they are just waiting for the time to arrive, and eventually the people of those nations will try to kill everyone close to them and join with Russia. I see grave indications that we may be there. The British are arming Hong Kong. I have a newspaper clipping with reference to that subject.

UNITED STATES HAS NO ASIATIC POLICY

Mr. President, we are not sure at this time what the agreement is as to moving into Hong Kong. I do not say that we should not move into Hong Kong. I am saying that if we are going to move into Hong Kong, we need, first, an Asiatic policy, and we need to know where we are going from Hong Kong. I have seen China all the way from the Great Wall and beyond, I have been to the Equator and down to Melbourne, Australia. During World War II, I spent some time in New Guinea, Port Moresby, and other points. The people of these nations are not slaves; other nations have made slaves of them. We are fooling with fire. As I said earlier today, our course could lead us into a terrible conflict for which we are not ready. We are not ready for it because we do not have an Asiatic policy, and we do not have a European policy. What we need to do is to sit down in the cool of the evening, without the aid of any foreign nations, add this thing up, and determine what our Asiatic policy should be.

When I traveled from one end of China to the other, several interviews were given. I never said we should move into China or into Asia. I said we had better make up our minds. I was in Peiping. It was said the Communists were 8 miles out. I do not know whether they were 8 or 10 or 25 miles but it would not have made much difference if they wanted to do something. General Fu, the night I was in his camp, said to me, "I am through. I was through when General Marshall quit shipping ammunition for the American guns we had. I was through when General Marshall insisted that we get together with the agrarian Communists and let the Communists through the pass up above the Great Wall of China and into Manchuria," which we had already given to the Russians, thus giving Russia a foothold in Asia. The Chinese generals knew what would happen to them, but they stayed there and stuck it out as long as they could.

So, Mr. President, I say again, as I said when I was in China, in the Far East, and in India, that I do not know what our program should be, but someone had better find out before we stumble into Hong Kong to save someone else's hide, when we do not know where we are going from Hong Kong. One of these days the Senate, the House, and the people of the United States will wake up and start talking about a world policy, something which fits America, initiated in the Capital of the United States, and not in Europe.

AMERICAN INDUSTRIES OVERWHELMINGLY OPPOSED TO EXTENSION OF TRADE AGREEMENTS ACT

In tabulating the replies to approximately 300 letters and telegrams sent to various manufacturing enterprises and trade associations requesting information as to their attitude toward a reciprocal trade program, I have already explained the relation which the reciprocal trade program has to the 1934 Trade Agreements Act, I found that the overwhelming majority of replies expressed concern over our present tariff policy, our import fee policy, and opposition to the extension of the trade-agreements program. Of 194 replies received, 114 were against the extension of the program. Sixty-two either expressed no views or referred me to some other person for information. Only 18 of the replies were expressly in favor of extending the trade-agreements program.

Very often we hear someone say with a belligerent attitude, "Are you hurt yet?" I am from the West. If someone out there pointed a gun at your head, Mr. President, and you said, "Put that thing up; it might go off," and he said, "Are you hurt yet?" you would be looking for help from some place.

I want now to give a short outline of the various kinds of industry which feel their existence is endangered by the present policy on trade agreements.

Among the strategically important industries of this country are the producers of strategic metals, both the mining operators and the intermediate processors. The producers of the following strategic metals face either extinction or drastic retrenchment: Mercury, tungsten, antimony, silver-lead concentrates, zinc, copper, manganese, and aluminum. Many more industries have not been hurt yet, but fear for the future of their enterprises either because of the low level of tariffs on the commodities concerned, because of contemplated reduction of tariffs, or simply because foreign industries are becoming more competitive than ever, having frequently been expanded with American help.

TARIFF CUTS HAVE SEVERELY INJURED OUR MINING INDUSTRY

Mr. President, the distinguished Senator from North Dakota asked about mercury. He asked if it was not true that the mercury mines in the United States were closed down. It is true; they are closed down because of competition from abroad, principally from Spain. How did it happen? With her state trading, Spain would sell mercury for any price, just to get dollars, so that she could undersell the American market and establish her goods in the American market. When a mine is closed down in America, the price goes up. It is like a gasoline price war. When a station on one corner is closed down, the price on the other goes up, because there is no competition. There is no need to elaborate on the dangers to our security resulting from drastic curtailment of the production of these metals. The loss of the deposits in inundated mines, the loss of know-how, and the loss of the labor force, may well spell the difference between victory and defeat in any future conflict. What endangers the existence and health of these enterprises? Unfair, cut-throat competition from abroad, where low-cost labor, frequently exploited at a wage about one-tenth of our domestic wage, makes cheap production possible.

Without adequate tariffs the domestic producer is simply not able to compete with low labor-cost competition. The low, or nonexistent, tariffs on imports of strategic materials may put the domestic producer out of business.

Here is a direct threat to our security, and despite statements by many members of industry, and even by some members of the Government who are familiar with the technology of mining, that low tariffs endanger the security of the Nation, the free-traders in the administration persist in advocating the theory that we should preserve our resources in the ground and import the necessary strategic metals.

Mr. President, we hear it said that we will store the minerals in the ground. Minerals are stored in the ground all over the world, but when an emergency occurs, it is not possible to get them in time to do any good if the mining industry is not a healthy enterprise.

The loss in mining know-how, the loss in the deposits which have been laid bare in mines which will become a complete loss, and the lack of exploration for new deposits which can only be carried on by a healthy mining industry, is ignored by the fanatic believers in an impractical and dangerous theory.

NEW INVESTMENT CAPITAL LACKING

Further, Mr. President, all these industries with a sword hanging over their heads with authority to cut tariffs transferred to a Secretary of State whose chief interest lies abroad, whose main interest is in arranging some kind of a treaty or agreement he wants on some other entirely unrelated matter, find themselves in a dangerous situation. Results to date have shown that and I am sure it will again be proven by the 133 trade agreements or trade negotiations, as they are called, made in France, we will find that already dangerously low tariffs and import fees will be further lowered.

With that kind of a threat hanging over his head, what will the businessman do? Can he get new capital investments for his business? Would any Senator listening to me put money in a business when a Cabinet officer, appointed on account of his ability in some kind of business, although I have not been able to ascertain what it was, except that it was certainly not in an industry, held in his hands the power of life or death over his business? If a man does put money into his business, he has to do the best he can. No one is going to buy him out. Then it would be possible to confiscate, as England and France and other nations which have nationalist schemes and threats to industry are learning. It is possible to freeze the money already invested, and confiscate it, but it is not possible to find any new investments. Let us not forget that it has been new capital investments which have made America great. We are not getting new capital investments, and there are several reasons for that, but the principal ones are the high taxes and the lack of faith in the continued health of the domestic economy.

UNITED STATES TEXTILE INDUSTRY IS BEING HURT

Perhaps less important strategically, but probably more important in regard to its share of the employment of the domestic labor force, is the textile industry. The American textile industry employs about one-fifth of the labor force of the United States engaged in manufacturing. Many believers in free trade assert that with American know-how and American equipment, we can produce more cheaply and efficiently than foreign producers. What the theorists forget or purposely ignore, is the fact that the equipment used in the textile mills all over the world is generally very similar to ours in type and efficiency. Textile products require a large amount of labor, which therefore accounts for a large share of the total cost of the product. Here is an interesting fact; according to figures of the Bureau of the Census, one worker in the automotive industry produced $10,162 worth of automobiles in 1939, whereas in the textile industry one worker produced only $4,894 worth of cloth.

In that connection I want to say that there are old-fashioned spindles in Britain and in other parts of the world where textile industries are located, but they will be replaced. New spindles are available, and when the old ones are replaced, not only will the present rate of unemployment continue in the textile industry in the United States, but it will suffer a big increase.

That difference in productivity makes the textile industry very vulnerable to foreign competition. We have to consider that the wage level in the domestic textile industry is approximately 3 times as high as in England, 5 times as high as in Italy and France, and more than 20 times as high as in Japan.

Despite these obvious differences, which cannot be overcome by either better machinery or more efficiency, tariffs are being cut on textile products brought into the United States. The producers of rayon fibers, the glove manufacturers, the weavers of felts for paper making, the makers of woolen goods, the domestic carpet weavers, the industries using silk, all of these and others more, are deeply worried about the effect of tariff cuts on their production and employment. Despite rising imports, the worst has yet to come, since foreign textile production is only beginning to hit its stride. Most of the demands of their own people have been satisfied, or, in those countries which still have shortages, textile industries produce for export to the American market in order to earn dollars, leaving their own peoples only a small part of their production.

Mr. President, here is another situation we should consider. Nothing is left alone and unhampered within those nations which start to take over industry. They have the socialistic idea that they must interfere with the normal routine of commerce. So, regardless of all the things I have mentioned several times this afternoon, of quotas and currency manipulations, specifications, and other means of stopping imports, we will have lower tariffs and provide a free market in our country. One of the greatest activities is continual meddling in the channels of commerce, so that nothing is normal.

Our businessmen do not know how to deal with that kind of people. Our businessmen know how to deal only with those who live and trade according to some principle. Businessmen of America operate according to principles. They will take every advantage possible within the limits of these principles. But they do not depart from principles in their operations. They do not try to run the entire industry through a Government agency which can, by means of Executive order, break anyone or make him bankrupt, or upset the industry so no one can invest money in it with any assurance that his capital will be safeguarded, let alone that he will make a profit on his operations or interest on the investment of his money.

CONSTITUTIONAL SEPARATION OF POWERS IGNORED

Mr. MALONE. Mr. President, in closing, I wish to say that for 22 long years, under 3 Presidents, this policy has not changed. In 1934 Congress was prevailed upon to transfer to the President of the United States its constitutional responsibility to regulate foreign trade and to regulate the domestic economy. That constitutional responsibility is definitely set forth in article I, section 8, of the Constitution, and in article II, section 2, it is provided that the President shall regulate foreign policy.

The Constitution of the United States pointedly separates the two powers. But Mr. Acheson and Mr. Thorpe, and now Mr. Dulles, have continually hounded Congress to put them together, which was done by a simple act of Congress amending the Constitution of the United States, and we have continued to extend it.

In 1951 we were able to cut the time of the extension to 2 years. It had always previously been 3 years. In 1951 we cut it to 2 years. In 1953 we cut it to 1 year. In 1954 we cut it to 1 year, and on tomorrow the Senate will vote on the question of extending it 3 years—to continue the marriage of the regulation of the national economy, the domestic economy, and the regulation of foreign trade, with the setting of foreign policy, and placing all in the hands of the State Department. So we are right back where we started before the Declaration of Independence was signed, when one man had everything at his fingertips.

FOREFATHERS' ADVICE FORGOTTEN

Washington, Jefferson, and Ben Franklin said, "That will never again happen to the American people." But in 1934 we were so far away from the dog that had bitten us that we passed the Trade Agreements Act, and now the Senate is seriously considering the continuation of the marriage to which I have referred.

During the delivery of Mr. Malone's speech,

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for 3 minutes?

The PRESIDING OFFICER (Mr. MORSE in the chair). Does the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Wyoming with the understanding that I do not lose the right to the floor, and that any remarks the Senator may make will appear at the end of my speech.

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

Mr. O'MAHONEY. Mr. President, I intend to discuss this question at length a little later in the day, but when I look around the Chamber and see the great disinterest which Members of the Senate have in this measure, it seems to me that the title of this bill should be "A bill to take away from the Congress its legislative powers granted by the Constitution of the United States."

With the consent of the Senator from Nevada, who was present in the committee at the time I testified in support of an amendment which I shall offer later, I desire to read into the RECORD a letter which I sent to every member of the committee, boiling down, in less than two pages, the real meaning of what is being done here by the agreement of those who seem to imagine that they are delegating to the President of the United States the power to do the work which under the Constitution the Congress should do.

I wish to show, also, the extreme disregard in which Secretary of State John Foster Dulles holds the Congress of the United States. He told the Finance Committee, on which the Senator from Nevada sits, that Members of Congress

may have brains enough to know what their constituents may want, but they are not equipped to attend to the great international questions of the Nation. Mr. President, I deny it.

Mr. MALONE. Mr. President, this is the 9th year I have stood on the floor of the Senate and have said exactly what the Senator from Wyoming is now saying; and I said it when the Senator from Wyoming was formerly a Member of the Senate, and when he voted for the extension of the Trade Agreements Act.

Mr. O'MAHONEY. Mr. President, I said this 20 years ago.

Mr. MALONE. But the Senator from Wyoming voted for the last three extensions of the Trade Agreements Act; he voted for extending it, until he was no longer a Member of the Senate.

Mr. O'MAHONEY. Mr. President, let the friends of the Constitution and the Congress——

Mr. MALONE. The Trade Agreements Act is no more constitutional today than it was in 1934.

Mr. O'MAHONEY. Mr. President, what is the use of the Senator from Nevada and myself engaging in a fight.

Mr. MALONE. I am not fighting the Senator from Wyoming; I am merely telling him.

Mr. O'MAHONEY. Very well. But if I undertook to tell the Senator from Nevada, the Senate would never pass such a bill. However, there is a limitation on the debate.

Mr. MALONE. There is no limitation on the debate today.

Mr. O'MAHONEY. Mr. President, with the kind consideration of the Senator from Nevada, I should like to read this letter, because I wish the Press Gallery to know what is coming up.

Mr. MALONE. Mr. President, I hope the Press Gallery knows that for 9 long years the Senator from Nevada has said exactly what is contained in that letter, and is saying it again today, and will say it again tomorrow.

Mr. O'MAHONEY. Mr. President, this letter was written to every member of the committee, after I had testified. The letter I am about to read was addressed to the Senator from Oklahoma [Mr. KERR], and it reads as follows:

DEAR BOB: Now that the Finance Committee is considering its final action on the bill to extend the Reciprocal Trade Agreements Act for another period of 3 years, I desire to call your attention first to a statement which I prepared for presentation to the committee in support of my amendment providing that no trade agreement negotiated by the President shall become effective until approved by Congress. I am also enclosing a copy of three paragraphs of the testimony of Secretary of State John Foster Dulles, taken from page 2371 of the original transcript.

Mr. President, it is now to be found on pages 1240 and 1241 of part II of the hearings.

I wish that every editor in the United States and every Member of Congress, whether in the Senate or in the House of Representatives, would read these three paragraphs of the testimony of John Foster Dulles.

I continue to read my letter:

My deepest concern in this matter lies in the fact that, if this extension should be granted, Congress will have provided for the delegation to the President during a period of more than 20 years of a clearly legislative power. This it is doing at a time when free government, that is to say, government by authority of the people, stands at bay throughout the world, while executive authority with dictatorial power is proceeding in its effort to conquer the world.

A reading of the three paragraphs taken from the testimony of Secretary Dulles shows that the Secretary of State holds the following views:

1. That Senators and Representatives are primarily sensitive to local business and employment conditions.

2. That it is not possible for every member of Congress to "know with intimacy the international implications of our trade policies."

3. That these implications "are so delicate that they cannot be publicly discussed without endangering" the security of the United States.

Mr. President, at this point I suspend my reading of the letter to remark that almost 2 days before the Secretary of State expressed that view of the necessity of secrecy in international affairs, he was having the Yalta papers released to the press by devious methods.

I continue to read from my letter:

4. That "one man, and one man alone, is so situated as to have the complete, overall picture"—the President of the United States.

It would be difficult to compress into a smaller compass the modern argument of the totalitarian against government by the people. Is it true that Senators and Representatives of the United States are not capable of understanding conditions that exist beyond their own States or Districts? Is it possible that they are incapable of comprehending the implications of international trade? Is there any necessity for the secret negotiation of trade agreements? Is it possible that Secretary Dulles actually believes that the President is the only person in government capable of understanding the overall picture?

At the very moment that Secretary Dulles, on March 14, was giving this testimony and the Finance Committee was considering the bill, an Assistant Secretary of State in Geneva, not the President of the United States, was signing an agreement with 34 other nations with respect to international trade. At the same time, the Department of State, over which Mr. Dulles presides, was releasing the Yalta papers.

It is argued that the bill contains standards which make the bill a constitutional delegation of legislative power to the President. This argument overlooks the fact that there is no limit on the governments with which an agreement may be made, nor any limit upon the commodities or articles to be affected.

Since that time, Mr. President, I understand that a so-called textile amendment was submitted, and that it was designed to affect and restrain imports into the United States from Japan.

I read further from my letter:

The framers of the Constitution, with careful and deliberate forethought, divided the powers of government into three separate categories. When we say, as will be the case if congressional approval of trade agreements is not required before they become effective, that the Congress is unworthy to be trusted with knowledge of the contents of the trade agreements before they become effective, then we are saying that the legislative power so carefully described in the Constitution has ceased to be an efficient instrument of free government in our time.

Now, Mr. President, with the further indulgence of the Senator from Nevada, I shall read the three paragraphs of Secretary Dulles' testimony. He says, as appears on page 1240, part II, of the hearings:

It is understandable that there is, in the Congress, some reluctance to delegate to the President a discretion, the use of which might affect adversely certain particular business activities. I was myself a Senator long enough to appreciate the reasons for such concern. Each Senator and each Representative properly knows, and is sensitive to, business and employment conditions within his particular State or district.

But it is not possible for every Senator and Representative, or for the Tariff Commission, to know with intimacy the international implications of our trade policies. Oftentimes, indeed, these implications are so delicate that they cannot be publicly discussed without endangering the security interests of the United States.

One man, and one man alone, is so situated as to have the complete, overall picture. He is the President of the United States. He comprehends both the domestic and international aspects of the problem. If the President is not entrusted with discretion within the closely prescribed limits contemplated by H. R. 1, then that means that the tariff policy of the United States will be operated without due regard to international considerations. That will inevitably endanger our Nation.

Mr. President, when I was a student in high school, a student in college, or a student in law school, I never dreamed that the time would ever come when I would hear the chief Cabinet representative of the President, the Secretary of State, utter such words as those. They were not uttered on the spur of the moment. They were written down carefully.

What he was saying was simply that the framers of the Constitution did not know what they were doing when they gave to the Congress, in article I, section 8 thereof, the power to lay duties and imposts. Those are tariffs. Not a word is there about allowing the executive power to make such laws, to enact such legislation. The words uttered by Secretary Dulles in derogation of the dignity, the knowledge, the duty, and the ability of the Senate and of the House might well have come from a supporter of Hitler, a supporter of Mussolini, or a supporter of Lenin and Stalin. It is the language of the totalitarian. Congress makes its mistakes, but Congress is the legislative authority of the Government of the United States.

Mr. MALONE. A bill was introduced in the Senate by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Massachusetts [Mr. KENNEDY] to compensate workingmen and investors when they sustain a loss of jobs and investments through the workings of the 1934 Trade Agreements Act. The State Department has many times suggested such an act by Congress, because members of that Department know they are going to move workingmen and investors around like checkers.

Mr. O'MAHONEY. In other words, that is a bill which provides that, if Members of Congress, by neglecting their duty, by delegating it to the President and the anonymous assistants to whom he would redelegate the power, should cause injury to the people of the United

States, then the Congress should try to make amends for its neglect by granting monetary damages.

THE CASE FOR FLUORSPAR

Mr. MALONE. Of course. The distinguished junior Senator from Kentucky [Mr. BARKLEY], a member of the Senate Finance Committee, stated that he was one of the authors of the original bill in 1934.

However, in this session, he wanted fluorspar protected, because fluorspar is used in making steel, and fluorspar is produced in Kentucky, and the miners of fluorspar were idle.

I reminded the distinguished Senator in committee that a bill had been introduced to compensate those people, and that the State Department had long since recommended such procedure. I reminded him, furthermore, that he could not maintain that considerations of national defense made it important to produce fluorspar in Kentucky or other States, because we can get it from Mexico and Canada, where we are now getting it, with the result that mines in Kentucky, Illinois, and other States are shut down. We can get it from Canada and Mexico in time of war as well as in time of peace. So the argument could not be based upon security reasons.

I reminded the chairman of the committee and the committee itself that the argument could be made on an economic basis.

The economic structure of the Nation is dependent upon the small communities. That is the only safeguard we have today. It is the smaller communities which suffer economically from such a policy as I have described. That includes every little community where fluorspar is produced, or where any one of the group of strategic minerals and metals is produced; communities where textiles are produced, where petroleum is produced, or where any one of 5,000 other commodities is produced.

Mr. O'MAHONEY. I will say to the Senator that if we continue the process of delegating away the authority and the duty imposed upon us by the Constitution of the United States, these seats on the floor of the Senate, which are now empty because Senators have already promised that they will go along, will be empty permanently, because we shall have transferred to the Executive the powers of the Congress.

CONGRESS HAS SHIFTED MOST OF POWERS TO WHITE HOUSE

Mr. MALONE. I may say to the junior Senator from Wyoming that over a period of 22 years we have already transferred the greater portion of our constitutional authority to the Executive. At the present time practically all the authority Congress has is to set the tax rate. Over a period of 22 years we have established the policy of accepting the estimates for the budget from the White House. Nothing has ever been done on the floor of the Senate except perhaps to make an increase or a reduction of 5 percent. Our function in that field could just as well be performed by a group of high school students, because Congress accepts the policy represented by the budget sent to it.

The point I make is that so far as budgets and appropriations are concerned, for all practical purposes they are in the hands of the Executive.

TREATIES NOW CALLED EXECUTIVE AGREEMENTS TO AVOID TWO-THIRDS SENATE VOTE

On the other hand, instead of calling treaties by their right name and submitting them to the Senate, where a two-thirds vote would be required to approve them, the executive department calls them agreements, requiring, for their approval, only a majority of each House—if, in fact, they are submitted to the Congress at all.

Now we come to the question of transferring the constitutional authority and responsibility of Congress to regulate the domestic economy as well as foreign trade, through adjustments of duties, imposts and excises—the language of the Constitution in article I, section 8. That authority was transferred to the Executive in 1934, following the admonition of the then President.

SECRETARY OF STATE IN 1949 QUOTED

Let me read what the Secretary of State said in 1949. I shall read from a reprint of one of my speeches at that time. The situation has not changed one iota since 1934. This is what I said, after a quotation from a convention:

> However, the present Secretary of State has attempted in every way possible to tie the two together.

Meaning the regulation of the domestic economy and the regulation of foreign trade. In the Constitution of the United States they are pointedly separated. I have already quoted language from the Constitution to the effect that the Congress itself must regulate foreign trade and the domestic economy.

In article II, section 2, the Constitution is specific in providing that the Executive shall regulate the foreign policy. The Secretary of State had been continually tying the two together.

> However, the present Secretary of State has attempted in every way possible to tie the two together, as witnessed by the testimony of Willard L. Thorp, Assistant Secretary of State, when he appeared before the Ways and Means Committee of the House in January of this year in support of the 3-year extension of the 1934 Trade Agreements Act now before the Senate, when he said:
>
> "1. The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet."

In my speech in October 1949 I said exactly what the Senator from Wyoming is saying today.

> 2. The 1934 trade-agreements program is an integral part of our overall program for world economic recovery.
>
> 3. The International Trade Organization—

Mr. President, that is the organization which Congress refused to accept. That is the organization Mr. Thorp was promoting at that time. Today the department is promoting an organization called the Organization for Trade Cooperation. I point out to the Senator from Wyoming that we did not approve GATT, but we did not interfere with the workings of GATT, because it never came before Congress.

Mr. O'MAHONEY. In other words, we are sending abroad to Geneva the constitutional power of Congress?

Mr. MALONE. Very well. I am sure the Senator is old enough to remember the baseball play known as Tinker to Evers to Chance.

Mr. O'MAHONEY. I remember it very well.

Mr. MALONE. This is a Tinker-to-Evers-to-Chance play. Congress makes the play to the President, and the President makes the play to Geneva, 3,000 miles away, to an organization in which there are 33 votes, and in which we have only 1 vote on multilateral agreements. When the President's representatives sign an agreement, we are bound by it.

Mr. O'MAHONEY. I wish to elucidate a little further and bring up to date the Tinker-to-Evers-to-Chance allusion which the Senator has made.

Mr. MALONE. It is not an illusion. It is exactly what we have done.

Mr. O'MAHONEY. It is a baseball allusion, nevertheless. What the Senator means is Tinker—Dules—to—Evers—Eisenhower—to Chance—the 34 nations in the agreement.

Mr. MALONE. And the play is clear out of the Senate's hands when it votes tomorrow afternoon to approve the pending legislation.

Mr. O'MAHONEY. I will say to the Senator from Nevada that he is a very good pitcher. However, we do not have any catchers.

Mr. MALONE. The people of the United States are the catchers.

I spoke on the floor of the Senate on September 13, 1949, and I should like to call the Senator's attention to what I said on that day, when we were discussing catchwords and catch phrases.

Incidentally, the phrase "reciprocal trade" is merely one more catchword, and it was invented by the London bankers.

I read from my speech:

> The 1934 Trade Agreements Act has been labeled "reciprocal trade," yet that phrase does not occur in the 1934 act—it is simply a catch phrase to sell free trade under a more appealing name. That is the significance of the proposed 3-year extension of the 1934 Trade Agreements Act which is before the Senate at this time.
>
> The phrase "reciprocal trade" is just one more catchword boiled up out of a mess of catchwords and historic slogans such as "make the world safe for democracy," "the four freedoms," "the forgotten man," "economic royalists," "we owe it to ourselves," "we cannot be prosperous in a starving world," then comes the "bold new program," and dozens of other pithy expressions which divert the minds of men during times of extreme nervous stress and strain.

Has that situation changed?

Mr. O'MAHONEY. Not at all. Mr. President, I ask unanimous consent that the amendment which I intend to offer when the opportunity presents itself be printed in the RECORD at this point.

There being no objection, the text of the amendment intended to be proposed

by Mr. O'MAHONEY was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following new section:

"SEC. —. No foreign trade agreement hereafter entered into under the authority delegated to the President by section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), no amendatory or supplementary agreement hereafter entered into under such section, and no duties or other import restrictions specified in a proclamation issued by the President to carry out any such foreign trade agreement or any such amendatory or supplementary agreement, shall take effect until the Congress by law has specifically approved such agreement; and no notice of termination under section 2 (b) of the act of June 12, 1934, as amended (19 U. S. C., sec. 1352 (b)), shall take effect with respect to any foreign trade agreement, or any amendatory or supplementary agreement, hereafter entered into under such section 350, until the Congress by law has specifically approved such notice of termination."

Mr. MALONE. I wish to say one more thing to the Senator from Wyoming. I am happy that he is joining the senior Senator from Nevada in this fight.

Mr. O'MAHONEY. I began my fight in 1934.

Mr. MALONE. The Senator voted for the program, however.

Mr. O'MAHONEY. A different situation prevailed at that time.

Mr. MALONE. It is not any different from that of today. It is exactly the same as it was in 1934. It is history, like Yalta; and, like Yalta, let us never do it again.

The reason Washington, Jefferson, and Benjamin Franklin, in writing the Constitution, separated the two powers was that they had been pushed around for a long time by a king who had at his fingertips the fixing of domestic policy and the fixing of foreign policy and the fixing of trade policy by executive order, and they resolved it would never happen to the American people. Therefore, they pointedly separated the power to fix foreign policy and the power to regulate the domestic economy, so that one could not be traded for the other without the concurrence of Congress.

We were in 1934, and we are now, so very far from the dog that bit us——

Mr. O'MAHONEY. That it has become a habit.

Mr. MALONE. It was not a habit in 1934. The program was sent to the Congress with the demand that Congress pass it. Apparently Members of Congress were afraid to go home without voting for the program. The President said Congress must pass the legislation, and Congress did pass it.

ECONOMY TRADED FOR FANCY FOREIGN POLICY

Congress passed the act which tied the two powers together. By a simple act of Congress there was transferred to the Executive Department the responsibility of fixing duties and regulating foreign trade and regulating the domestic economy. Now what can the President do, and what has he been doing for 22 years? He is trading the American economy for a fancy foreign policy, and the pending bill, if passed, would tell him to go ahead and continue to do it.

DULLES TESTIMONY CALLED INSULT TO CONGRESS

I ask Senators to read the testimony given by Mr. Dulles before our committee. It was an insult to Congress. Yet Congress is taking it lying down. The regulation of foreign trade and of the domestic economy belongs to Congress, because every precinct in the United States is represented on the floor of the Senate—or at least it has a chance of being represented—and in the House of Representatives.

Mr. Dulles and his predecessors have cohorts in Europe. I have stated on the floor of the Senate, and I say it again, that Mr. Churchill and Mr. Eden have been ex officio members of the State Department for 22 years. We do not do anything that they do not approve. Why? I should like to know why.

We are the only nation on earth that has in office men who do not work for our own people. I admire the English on two counts. I am a great admirer of the English, I will say to the junior Senator from Wyoming, first, because they have brains and, second, because they are for their own country. They have brains and they are for England. If we have brains, we have not learned to use them. We are not for our own country and for our own working men and investors. I am glad to be joined by the distinguished Senator from Wyoming in that conclusion.

Mr. O'MAHONEY. I am very grateful to the Senator for having permitted me to make my remarks.

Mr. MALONE. I am grateful to the distinguished Senator from Wyoming for at last speaking his mind.

Mr. O'MAHONEY. I have never hesitated to do so.

Mr. MALONE. I hope the Senator, in voting this time, will use his mind.

ORDER FOR RECESS UNTIL 10:30 A. M. ON WEDNESDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 10:30 a. m. tomorrow.

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

ANNOUNCEMENT CONCERNING CONFERENCE REPORT ON THE POSTAL PAY BILL

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief announcement.

It is my understanding that the conferees have agreed today on the conference report on the postal pay bill which affects half a million or more postal workers. I understand all the members of the conference committee have signed the report, and I should like to give notice that if we can work it into the schedule this week, consideration will be given to the conference report. I shall consult with the minority leader and with the chairman and ranking Republican member of the committee, and it may very well be that if we conclude consideration of the Interior Department Appropriation bill on Thursday, we can take up the conference report. I should like every Member of the Senate to be on notice that the conferees have reached agreement and their report will be taken up by the Senate as soon as opportunity is afforded. It is my understanding that the House will have to act first.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 3, 1955, he presented to the President of the United States the following enrolled bills:

S. 37. An act to amend the act increasing the retired pay of certain members of the former Lighthouse Service in order to make such increase permanent;

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; and

S. 1094. An act to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to a concurrent resolution (H. Con. Res. 121) requesting the President of the United States to return to the Senate the enrolled bill (S. 1094) to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954, in which it requested the concurrence of the Senate.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I understand the senior Senator from Illinois is prepared to address the Senate.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, today the Senate of the United States is engaged in debate on an issue which can be traced back to the very foundations of our country.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I shall be glad to yield.

Mr. JOHNSON of Texas. Mr. President, because of a previous engagement I shall be away from the Chamber for the next hour or so. I have conferred with the minority leader, and by a joint agreement, because of the fact that many Senators are attending the chamber of commerce convention, there will

be no business transacted this evening. I have asked the distinguished Senator from Illinois [Mr. DOUGLAS] to act for me in my absence in connection with any matters which require attention.

I understand there are other speakers scheduled for this evening. I merely wish the RECORD to show that both sides of the aisle, the majority leader and the minority leader, have agreed that there will be no business transacted, although insertions may be included in the RECORD. I should like the Senator from Illinois to act for me when he is present, or ask some other Senator to do likewise, if the Senator from Illinois is not present.

I should like the Chair to have notice that that is the agreement of the leadership.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. DOUGLAS. Today, Mr. President, the Senate of the United States is engaged in debate on an issue which can be traced back to the very foundations of our country. Tariffs and trade policy were major factors in the revolt of the colonies against Great Britain; in the establishment of our Constitution; in the strife which divided North and South; in the periods of panics and prosperity which have dominated our economic life; in the establishment and growth of trusts and monopolies; and in the latter-day development of America as the major creditor nation of the world and the leader of the free world fight against international tyranny.

This debate, on the extension of the Reciprocal Trade Act for another 3 years, is on an issue which transcends such questions as quotas for the independent oil producers, protection for the textile trades, or bounties for bicycles. It goes to the root of our historical processes.

A tariff, Mr. President, is a tax. It is a tax on consumers for the protection of producers. As a tax on consumers it is not unlike a sales tax. Like a sales tax it is regressive; that is, it hurts low income groups more than high income groups. Because of these elementary facts the tariff issue has divided the country, historically, between the protectionists—who since the days of Alexander Hamilton and before, have supported the rich and well-born—and those who wish freer trade, fewer restrictions, and who have fought for lower tariffs in the interests of the consumer and of the Nation as a whole. It is an issue which divides us between those who support the particular interest and those who support the general welfare. It is a question of taxing the many for the benefit of the few, or of temporary dislocation of the few for the benefit of the many.

It is an issue, also, Mr. President, where glib generalities and easy arguments, the slogans and shibboleths, lie with the protectionists, but where the truth, the hard, difficult, fundamental truth, lies with the cause of freer trade and fewer restrictions.

It is a paradox in our economic life that those who live by such slogans as "Free enterprise," "Competition," "Rugged individualism," "No Federal interference" are in general, although not universally, the supporters of protection which creates monopoly, limits competition, provides protection for the producer, restricts enterprise, and uses the Federal Government as an instrument to interfere directly in our economic affairs. On this issue, one must doubt either the fundamental sincerity or the consistency of those who call for no Federal interference, except when it helps them; who wish competition, except in their own business; who are for rugged individualism, for the other fellow; and whose real position measured by their deeds is for gross Federal interference if it benefits their own interests.

MODERN PROTECTIONISTS COPY BRITISH MERCANTILISM

The economic policies of Great Britain in the 17th and 18th centuries, which our forefathers rebelled against, were policies with which the protectionists, perhaps unwittingly and unknowingly, wish to shackle us with today. Those policies, Mr. President, were the promotion of nationalism, the protection of domestic industry, the restriction of trade, Buy-British policies, the attempt to export more than to import, and the demand that trade be carried in British ships, all summed up by the term "beggar my neighbor" policies. The counterpart of these policies is seen today in the Buy America Act, the attempt to impose quotas, the demand for protection against imports, and a subsidy for exports, the cries to equalize production costs against so-called cheap foreign labor, the largess received by the private merchant marine, and the swarm of industries who plead their cause in the name of national defense. Our Nation, Mr. President, was conceived in a rebellion against the very policies which the protectionists advocate today.

Let us trace briefly our tariff history so that the sins committed by the protectionists against our historical progress, against political democracy, economic liberties, and social justice may be made clear.

First, what were the British laws and regulations which led to the cry of "no taxation without representation"? They were the acts which every schoolboy is required to learn but the significance of which somehow gets lost by the time he reaches manhood. There were the various navigation acts, the principal one of which was that of 1660, which required imports and exports to and from the American Colonies to be carried in British ships "whereof the master and three-fourths of the mariners at least are English," in the terms of the act. There was the Wool Act of 1699 which prohibited the sale of wool, yarn, or woolen cloth by the colonists under any condition whatsoever, and the Hat Act of 1732 which probited the sale of American hats abroad or to any other colony. There was the Molasses Act of 1733 which placed a prohibitive tax on American trade in sugar, rum, and molasses with the French West Indies.

Fortunately, these and other restrictive acts were not vigorously enforced until after the end of the French and Indian War of 1763. Had it not been for this failure, American trade with the West Indies would have been destroyed, and trade in wool, hats, and other items between the Colonies and abroad would have been ruined.

In 1767, the British Parliament passed the Townshend Revenue Act. This act—ostensibly for the purpose of raising revenues—imposed numerous specific duties on imports to the Colonies from Great Britain and which the American colonists had to pay. Among these duties, the following may be of interest: 4 shillings, 8 pence on every hundredweight of crown, plate, flint, and white glass; 1 shilling, 2 pence per hundredweight of green glass; 2 shillings for every hundredweight of red lead; 1 shilling, 2 pence for every hundredweight of white lead; 2 shillings for every hundredweight of painters' colors; 3 pence for every pound of tea, which led to the celebrated Boston Tea Party; 12 shillings for every ream of paper, usually called or known by the name of Atlas fine, to name a few items.

AMERICAN GLASS INDUSTRY PROTECTED FOR 188 YEARS

I digress for a moment here, Mr. President, to point out that the American glass industry, which has come before our committees of Congress to plead for tariff protection in this year, as in other years—has been the beneficiary of a tariff on foreign products since the year 1767—or for 188 years. When, oh when, will the American glass industry be able to stand on its own two feet? Initially, the industry argued that it needed protection to establish itself—that it was an infant industry. In 1955, the same industry is here again, arguing now that it is unable to compete with cheap foreign labor. In the early days, when their labor costs were low, they argued for tariffs to protect them as an infant industry against the more efficient, higher labor-cost industries abroad.

We do not know and we cannot say how much the American consumer of glassware and glass products has paid in taxes on imports and higher prices on domestic glass to subsidize this industry in the last 188 years. I have been able to calculate, roughly, that in 1951—if one adds up the duty paid by Americans for imports of handblown glassware, earthenware, chinaware, and optical instruments of glass—just to take a very few items which compete with the domestic glass industry—the American consumer paid at least $20 million in higher prices for the products of this kind which he bought from abroad. At the present rate of duty, American consumers, therefore, can expect to pay at least $20 million a year in duties in the next few years for these items. Will the industry be as successful in the next 188 years as it has been in the past 188 years in keeping these duties on imports? If so, the subsidy to the American glass and pottery industry will amount to at least $3.7 billions of dollars in that period.

That figure—$20 million a year—is the amount of money which the American consumer will pay in higher prices for a few selected items of glassware and pottery from foreign sources if that industry is able to keep the tariff for its protection.

But we must add to this amount the higher prices which American consumers pay for American glass products as a result of the tariff—as the industry can command a price virtually equal to the foreign price plus the tariff. So I have only calculated the amount which the American consumer paid in the way of taxes for foreign-made glass products.

The value of the domestic production in 1951 of these items—handblown glassware, earthenware, chinaware, and optical instruments, to take the same few selected items—was approximately $336.8 million. The average of the tariff on these items was 36 percent. In other words, because of the tariff, the American industry could raise its prices to the American consumer virtually 36 percent of the value of its production. This would amount to about $123 million which is, roughly, the extra amount of money the consumer paid for these items and which was pocketed by the American producers. Therefore, not only did the consumers pay $20 million in higher prices for foreign glassware in 1951, but also an extra $123 million in higher prices for the domestic product.

Therefore, when these particular industries come to us for protection we must say, "What will it cost the American people to subsidize this industry?" How much less purchasing power will the American worker have if he pays a subsidy for his daily needs to that industry? How many fewer items will his paycheck buy if he must pay 20 or 40 or 60 percent more for an item than he should pay in order to subsidize an inefficient industry? Who, Mr. President, is fighting for the consumer interest in this tariff fight? And who is fighting for the nonprotected American industries who must pay higher wages, and therefore increase their costs, if they are to guarantee a decent standard of living to their employees, whose pay checks go less far because of the tax they pay for protected items?

These are the issues before us; and the glass industry, which has been protected for 188 years, has with the best intentions in the world forced the masses of the people of this country to pay more in order to keep their protected industry afloat. Would not the fresh breezes of competition help them? Is it too much to suggest that this industry might be more efficient and more competitive today if, in the past, they had been required to compete with foreign products, to improve their methods of production, and to lower their costs—all of which might have come about except for this cushion provided them by the protective tariff?

AMERICAN REVOLUTION RESULT OF RESTRICTIVE BRITISH TRADE POLICIES

Now I should like to return from this digression to the point I was making, namely, that British restrictive acts on the subject of tariffs and trade led, in great part, to the American Revolution.

The Townshend Act, which included the tariff on glass, led to American reprisals—to nonimportation agreements on the part of American merchants. One of these, the Boston nonimportation agreement of 1768, reduced imports from England by one-half in the years 1768 and 1769.

When in 1773 the East India Co. was given a monopoly on the American tea trade, our forefathers reacted, first by the New York Sons of Liberty Resolution on Tea and by the Boston Tea Party of December 16, 1773. The British retaliated with the infamous series of "intolerable acts" in 1774 which challenged the fundamental liberties of the subject. These led, in turn, to a series of resolutions against the Boston Port Act by New York City in 1774 and the Virginia House of Burgesses in the same year, and to the calling of the First Continental Congress on October 14, 1774. In the Declaration of Independence itself Jefferson lists as a specific grievance against the Crown and Parliament the cutting off of American trade with all parts of the world.

In other words, Mr. President, the American Revolution was the result, in large part, of the reaction of American colonists to British restrictions on trade, and the British intolerable acts which were passed to enforce those restrictions on trade against the will of free men. The nature of those restrictions, and the philosophy and the theory behind them, was for the protection of British industry, an attempt at self-sufficiency, and the desire to avoid competition from foreign or colonial sources. I put it to you and the Senate, Mr. President, that the British trade and tariff policies of the 18th century, which led to the American Revolution, are not unlike those which protectionists wish America to follow in the middle of the 20th century.

THE TARIFF AND THE AMERICAN CONSTITUTION

Under the Articles of Confederation following the American Revolution, the barriers to domestic trade between the States led to the reexamination of the Articles. The Articles were inadequate for, among other things, they allowed the individual States to erect trade barriers against each other much as nations erect them against each other today. The Annapolis convention, the predecessor of the Constitutional Convention and the Constitution itself, was called by Virginia for the purpose of considering "the trade of the United States." The commercial and industrial interests, led by Alexander Hamilton, had replaced the dominant position held by Jefferson and the liberals during the Revolution. Nonetheless, even they could see that free trade among the members of the Confederation was essential to American prosperity and their own best interests.

The Constitution of the United States, to the great good fortune of us all, gave Congress the power to regulate trade among the several States. This prohibited within the United States the barriers to trade and commerce which so burden the free flow of trade between countries. The Constitution also prohibits a tax or bounty on exports, and it gives Congress—not the States—the power to lay tariffs on imports.

If the protectionists who have swamped Congress in the last year with their pleas for special privilege were to follow their logic to its full conclusion they would, in all sincerity, advocate the repeal of that part of article I, section 10, of the American Constitution which prohibits the erection of trade barriers by the States. They advocate quotas on imports, higher tariffs to equalize production costs, and subsidies by way of tariffs against cheap foreign labor. If we need tariffs and quotas to protect America against Japanese textiles, or residual oil, why does Maine not need a tariff to protect her against California and Florida oranges—in order to equalize the costs of production? Maine producers of oranges—and they could be produced under glass in hot houses—would gain a tariff on California oranges. This would raise the price of California oranges sold in Maine to the production costs in Maine. Why does New York not need a tariff against Illinois and Iowa corn to protect her farmers against the competition from the States where corn can be grown cheaply and in abundance, thus raising the cost of Illinois and Iowa corn to what it costs to grow it in New York? Should Minnesota not try to grow bananas in hot houses by putting up a tariff against bananas from elsewhere?

We see this as economic suicide within our country for at least two reasons. First, the very basis of trade is that owing to differing geography, climate, weather, skills, and natural resources, each area and each region of our country can specialize in the production of a few products which it trades for the products of other areas which have differing resources, skills, soils, abilities, climate, and geography. If the protectionists followed their logic to the bitter end, every county in the United States would erect trade barriers against neighboring counties, and every town and hamlet would tax the product of its neighboring town to protect local producers and equalize production costs.

As early as 1776, Adam Smith in his Wealth of Nations, showed how silly the argument of imposing tariffs to equalize production costs at home and abroad really is. He wrote that—

> By means of glasses, hot beds and hot walls, very good grapes can be raised in Scotland, and very good wine can be made of them at about 30 times the expense for which at least equally good (grapes and wine) can be brought from foreign countries.

Yet, in 1904, a century and a quarter later, the Republican Party platform had this to say:

> The measure of protection should always at least equal the difference in cost of production at home and abroad.

And again in 1908 the Republican platform said:

> In all protective legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

In many cases, Mr. President, the economic doctrines of the Republican Party parallel those of Adam Smith and the 18th century. But here, Mr. President, is an issue on which the Republican Party parades doctrines which even Adam Smith himself rejected over a century

and a half ago. In fact, such an argument—to equalize the domestic and foreign costs of production by way of flexible tariff adjustments—was made on the floor of the Senate on April 1 of this year by one of the leading Republican protectionist Members of the Senate.

Second, the reason we avoid such folly within our country is that the citizens of the towns, counties, and States involved would be paying through the nose, by way of higher prices, for oranges and bananas grown in hothouses in Maine and Minnesota than they now pay for oranges and bananas from Florida, California, and the Caribbean.

These, Mr. President, are simple, elementary facts of trade. Yet the protectionists want the people of the United States to pay through the nose for high-cost domestic products that can be produced more cheaply elsewhere. We should invest our resources in the industries and products in which our geography, our climate, and our skills give us a positive advantage over others. And we should trade these items in which we have an advantage for the products of other countries which they can produce more cheaply than can we.

I may say, in this connection, it was the same Adam Smith who said that the division of labor is limited by the extent of the market; the wider the market, the more minute the division of labor. It would not be possible to have the efficient automobile factories of Detroit if those factories were confined in their sales to the State of Michigan. It is because automobiles have a nationwide market, and therefore a large output, that the industry can carry out the minute division of labor, upon which a large part of its efficiency rests.

I may also say that in the battle for advantages in international trade there are comparative advantages as well. Country A may have superiority in producing both articles X and Y over country B, but it may have so much greater superiority in producing article X that it pays it to concentrate on X and allow itself to be supplied with article Y by country B. Then both sides will profit from such an arrangement.

In the same vein, I knew a country lawyer who was the best lawyer in his area, and also the best stenographer and typist; but it paid him to concentrate on being a lawyer and on letting someone else do the typing and the stenography at $10 a day.

This elementary principle of the division of labor and the specialization of labor was appreciated by the Founding Fathers in determining what trade policies there should be between the States of the Union. It is a fact which in the international field yet remains unappreciated by too many of our people; it is unappreciated by a majority of the Republican Party, by a majority of our industries, but, I hope, by only a minority of the Senate.

I may say that all the advantages which are obtained from an internal specialization within a country and internal free trade are also available on a wider scale if there exists international trade between countries.

ALEXANDER HAMILTON AND THE TARIFF

When the Constitution was finally ratified and the new Government under Washington was begun, we all know that Hamilton and Jefferson were members of the Cabinet, and that the quarrels between them soon led to the first political parties in our history. We Democrats very proudly trace our history back to Thomas Jefferson. Our Republican friends, although they all too often act as if their party were the only true repository of patriotism, have no such enduring institution and can trace their history back just over 100 years, and followed then in a somewhat jagged line of succession. They are the "junior" party in the country. Nonetheless I believe that both we Democrats and our Republican friends agree that while Jefferson embodied the ideals of the Democratic Party, Hamilton, if not a Republican in name, embodied the basic principles upon which that party tends to act.

Jefferson, a liberal and humane man, represented the interests of the masses of the people against the dominant group of commercial and trading interests whose views Hamilton interpreted, reflected, and verbalized so well. Hamilton and the Federalists preferred the upper classes to the people, and feared political democracy.

Hamilton himself once said, in responding to a toast at a New York dinner, that "The people, the people is a great beast," and although the 18th-century views of the Federalist on the question of trade between and among the States seem enlightened by comparison with the views of some 20th-century interest groups, their class interests were reflected in our policies on foreign trade.

The first tariff in our history was that of 1789. It was conceived, ostensibly, as a "tariff for revenue only," although there is an obvious contradiction in that phrase which has darkened our legislative halls from the beginning of our Nation.

We see that the phrase, "tariff for revenue only," has in it an obvious internal contradiction. The purpose of a tariff is to keep foreign goods out. If it is successful as a tariff in its purpose of keeping foreign goods out, it cannot be useful in raising revenues. Conversely, if it raises large revenues it is obviously a failure as a tariff, for it allows foreign goods to come in in large quantities. For over 150 years, since Hamilton's time, the protectionists have attempted to sell the country on the idea of a "tariff for revenue only." It is an obvious contradiction in terms. It is an attempt to make the unpalatable palatable. It is an effort on the part of the protectionists to have it both ways.

The tariff of 1789 imposed an ad valorem duty of 5 percent on nonenumerated articles, and specific duties, generally in excess of that amount, on such items as glass, hemp, cordage, nails, and iron manufactures. A drawback of 10 percent was allowed for goods shipped in vessels of the American merchant marine, and other items, such as a tax of 50 cents a ton on vessels of foreign countries in American ports, were features of this first tariff act.

In 1791 Hamilton presented his famous Report on Manufactures, which few men have read, but which almost all who have studied history by means of textbooks rather than reading the original sources, hold strong opinions about. Hamilton's Report was a powerful intellectual feat. At few times in our history have the forces of the rich and well born had such a powerful and able man to verbalize their instinctive reactions. According to the late Prof. Frank W. Taussig, America's greatest tariff historian, the "Report remains the strongest presentation of the case for protection which has been made by any American statesman."

In that document, Hamilton argued for protection on grounds of the need for American self-sufficiency. He advocated the home market. He called for protection for infant industries. And he argued, finally, that any increase in domestic prices which come from protection would be offset by the increase in production—an argument which ignored the fact that a protected industry generally operates in a market characterized by restricted competition.

Of course, we hear the same arguments today. Perhaps the kindest thing we may say about the protectionists is that their arguments are the best arguments of the 18th century and are at least 164 years out of date—perhaps I should say 125 years out of date.

Although rates on nonspecific imports were raised to about 7½ percent in 1792, Hamilton's arguments for protection were not fulfilled until the tariff of 1816, many years after his death in 1804, at the hands of Aaron Burr. Thus, notwithstanding Hamilton's advocacy of protection, the first American tariff, for the most part, was intended to produce revenue, rather than for protection of domestic manufacturers.

Two points may be noticed in passing. The first is that in addition to Hamilton's advocacy of protection, it is in the Report on Manufactures that we find Hamilton's disdain for the weak and the poor in his comments on the place of women and children in industrial establishments. His famous statement that "it is worthy of particular remark that, in general, women and children are rendered more useful, and the latter more early useful, by manufacturing establishments than they would otherwise be" is to be found in the report.

This attachment to protection, coupled with a disdain for labor, is not an outdated factor in our history. It is curious to note that those who have voted, time and time and time again, against every act for the improvement of the conditions of labor, invoke the fair name of labor on behalf of their own restrictive tariff policies. Like Hamilton then, the protectionists today, have little real interest in the welfare of labor.

Here, Mr. President, I should like to skip a century and cite a modern example in support of this assertion. I should like to compare the vote of Republican protectionists on the Reciprocal Trade Act extension with their vote on bills which concern the real interests of labor.

My assertion is that while they invoke the fair name of labor in support of protection, they vote against labor bills in general whenever they have the opportunity. Let us take the votes on the extension of the Reciprocal Trade Acts in 1937 and 1945, and compare them with the votes—occurring rather close together—on the Fair Labor Standards Act of 1938 and the Taft Hartley Act of 1947. Let us put their claims of supporting the interest of labor to the test—the acid test of how they voted.

In 1937, there was a rollcall vote on the trade agreement extension. How did the parties vote? In the House, the Democratic vote was 278 for and 11 against. The Republican vote was 3 for the act and 81 against—almost a unanimous vote. At that time there were not many Republicans in the Congress. In other words, Mr. President, 96 percent of the Democrats voting favored the act and 96 percent of the Republicans voted against it.

In the Senate, 56 Democrats voted for the trade bill, and 9 were opposed; while no Republicans voted for it, and 14 Republicans opposed it. In other words, 86 percent of the Democrats voting favored the bill, and 100 percent of the Republicans voting opposed it. In fact, in the entire Congress there were only 3 Republican votes for the extension of the Reciprocal Trade Act in 1937.

On the vote on extension of the act in 1945—another key vote—in the House, 205 Democrats supported it, and 12 opposed; while only 33 Republicans supported it, and 140 opposed. The Democrats voted 94 percent for its extension, and 6 percent against; while only 18 percent of the Republicans favored the bill, and 82 percent of those voting opposed it.

In the Senate, there were 54 Democrats for, and 5 Democrats against—or 90 percent in favor; while 15 Republicans voted for the act, and 16 opposed, or less than 50 percent in its favor. The Republicans in both the House and the Senate provided only 48 of the 293 votes in favor of extension of the Reciprocal Trade Agreements Act.

These key votes were on issues and during debates in which the Republicans moaned and wailed for protection as beneficial to the interest of labor. But how did they vote in 1938 and 1947 on the Fair Labor Standards Act and the Taft-Hartley Act—the first opportunities to vote for labor, after the votes on these Reciprocal Trade Acts? Did they bleed for labor? Did they jump at the opportunity to provide a minimum wage starting at 25 cents an hour and in 5 years going to 40 cents an hour under the Fair Labor Standards Act, for the workingman whose good name they used in trying to defeat the trade acts? Were they interested in establishing a floor of 25 to 40 cents an hour for the American worker?

Well, here is the vote. In the House of Representatives, only 31 Republicans voted for the Fair Labor Standards Act of 1938, and 48 voted against it—or 61 percent were against the act and 39 percent were for it.

In the House, the Democrats voted 247 to 41 for the act—or 86 percent of those voting voted in favor, and 14 percent voted against. In the Senate, 2 Republicans voted for, and 13 against—or 87 percent against; and 51 Democrats voted for, and 15 against—or 78 percent of the Democrats voted for this prolabor bill.

On the Taft-Hartley Act, not considered by labor as friendly legislation—the Republicans in the Senate, who in the previous session had invoked labor's name against freer trade, voted 94 percent for the Taft-Hartley Act, or 47 to 3 in its favor. One of the three dissenters has since joined the ranks of the Democratic Party. And they voted 48 to 3 to override the President's veto. In the Senate, half of the Democrats voting were against the bill.

In the House, the Republicans voted 215 to 22 in favor of the act, or 91 percent in its favor, while the Democrats voted 93 to 84 for passage—or 53 percent in its favor. In the House, the Democrats provided 80 percent of the vote against the Taft-Hartley Act, and in the Senate, almost 90 percent of the votes against its passage. I may say that the northern Democrats stood almost as one in opposition to the Taft-Hartley Act, and also in favor of reciprocal trade.

Mr. President, I think it is fair to conclude that, historically speaking, protectionists used to be antilabor, and that their pleas for protection based on their so-called interest in the welfare of labor are not, in fact, supported by their votes when the real interests of labor are at stake.

The second point I want to make is that protection, itself, is against the interests of our working people. Most of the protected industries are cheap-labor industries, and, until very recently, nonunion or company-union industries. It is true that some of them have been organized in recent years; but for how many years did the protectionists point with pride at their American labor, agonize over the harm to come from the imports of foreign products, and then, as in the textile industry, hire women and children at the lowest possible wages, and welcome each new wave of immigrants who arrived in this country to replace the previous wave of immigrants who had been hired for almost nothing. The protected industries, Mr. President, have never been the high-wage industries.

Obviously, the protectionists cannot have the welfare of labor at heart for, first, the effect of a protective tariff is to increase the profits by monopoly markets—thus increasing prices, and incidentally drawing in the less efficient firms with higher production costs; and second, the workers have less purchasing power for it is they who must pay higher prices for protected products—thus their wages buy less than they otherwise would, creating a lower standard of living.

THE PERIOD 1800 TO 1816

America's foreign trade policy from 1800 to 1816 was based, not on economic principles, but on questions of expediency. It was an attempt to keep American interests alive while the British and French concluded the Napoleonic Wars. Until 1808, the effect of the war between England and France—often described as the War Between the Elephant and the Whale—was to present America with a great opportunity. McMaster wrote that "Almost the whole carrying trade of Europe was in their—American—hands"; and a recent writer has said that while the great commercial nations were fighting one another for the carrying trade of the world, America ran away with the bone.

Our prosperity was short-lived, and our foreign commerce dropped disastrously after 1807. Napoleon enforced his continental system by the Berlin and Milan decrees, and the British countered with their various orders in council. Between 1808 and 1815, this isolation from the rest of the world had the same effect as protection. When the War of 1812 was concluded in 1815, a number of America's domestic manufacturers had been started—especially textiles, owing to the domestic wartime demands for goods not then obtainable abroad. We turned from a trading nation to one whose primary interests were in promoting domestic manufactures. From 1815 to 1914, except for the 14-year period between the Walker tariff of 1846 and the Civil War, America remained isolationist in economic as well as in political and diplomatic affairs.

FROM 1816 TO THE CIVIL WAR

The tariff of 1816, the first truly "protective tariff" in our history, was supported by those from almost all regions and from all parties, in order, it was argued, to stimulate "infant industries."

However, the result, in part, was a steady decline in our foreign commerce from the time of the tariff of 1816 to 1833. In 1816, America entered an era of good feeling, and a one-party system. I think we should take due note of what happened under that one-party system. It was to be crushed by the reaction to the personality of John Quincy Adams and the split over the tariff of 1824, and the Tariff of Abominations in 1828.

For 20 years, roughly speaking, after 1816, the tariff became more and more protectionist. In fact, the period from 1816 to the Civil War can be divided into two parts. In the first period, up to the 1830's, the tariff rose year by year under Whig, New England, and Middle Atlantic State dominance of the Congress. That increase in tariffs was led by the increases in the case of textiles and in the case of iron.

The second period, that from the compromise tariff of 1833 to the Civil War, was, except for the Whig tariff of 1842, one of declining rates. The latter period included, also, the Walker Tariff of 1846, one of the most enlightened pieces of legislation we Democrats have passed, and which ushered in a period of prosperity for America unparalleled in relative terms until the 20th century.

Meanwhile, the Congress passed the tariff of 1824—a protectionist measure. The Middle States—New York, Pennsylvania, Ohio, Kentucky, and Tennessee received greater representation in Congress, as a result of the census of 1820.

Their protectionist pressures resulted in higher duties on iron, lead, wool, and cotton goods. Of course, the manufacturing centers of New England were in the forefront, in wanting high tariffs on both wool and cotton. Then, as today, the wool interests were among the leaders of protection. Then, as today, they were split along lines of personal self-interest and divided among themselves. The woolen textile trades desired duty-free wool for their manufacturing establishments, but a high tariff on woolen goods. The wool growers, of course, wanted a high tariff against wool as a raw material. The textile trades, then as today, cried for protection for their infant industry, unable to compete with foreign products. When, Mr. President, are these infant industries going to be weaned. Must they still "sup" at the public trough? The wool growers, the ironmasters, and the textile trades of New England and the Middle Atlantic States, made the passage of this protectionist measure possible.

It was in the debate on the tariff of 1824 that Henry Clay, the real founder of the Whig Party, pronounced his American policy and his American system, which were to plague the country and our politics for generations. It was from the time of this debate, too, that the tariff issue became a major one in party politics.

The tariff of 1824 raised the average rate from a low of 5 percent in 1789 and 20 percent in 1816 to 40 percent in 1824. From then on, the forces of protection grew and grew and were triumphant down to the present day, except for three Democratic freer trade tariffs—under Polk in 1846, under Woodrow Wilson in 1913, and under Franklin Delano Roosevelt from 1934 to 1945.

The next tariff to follow that of 1824, the tariff of 1828, was inextricably bound up with party politics, and was passed in a flurry of log-rolling and political maneuvering, probably without precedent in our history to that date, which gained for it the infamous title "the Tariff of Abominations."

Jackson had the support of the South and some of the West who, in the main were free traders. Adams and his party, supported by Clay, were protectionists. In an attempt to win some of the votes from the now more important Middle States, a bill was introduced to increase duties on manufactured goods and raw materials. The tactics were to force the duties so high that in the end the bill might be defeated, thus satisfying the protectionists by jacking up the rates, and the free traders by voting the bill down in the final vote. These tactics backfired, as such log-rolling tactics generally backfire, and in the end the bill was passed.

To the great good credit of the South, the representatives from that section voted solidly against the bill, as did two-thirds of the New England Congressmen. But, a third of the New England Congressmen, representing manufacturers, mainly textiles, combined with the Middle States to gain its passage.

Jackson was elected, but the country was saddled with the most infamous tariff in our history. The average rate was now 44 percent. In rebellion against the act, Calhoun enunciated the Nullification Doctrine. Although I believe that the South was wrong in its stand on slavery, it certainly had a genuine grievance against the Tariff of Abominations which led to the Nullification Doctrine.

Here, then, is a clear example of how the tariff issue and protection, pushed to their extremes, began the processes of division which helped to lead to the Civil War. I have shown that the tariff issue, protection, and restriction were major causes of the American Revolution. Here we find it again, inextricably bound up with the forces which divided our country and led to war and fratricide among our peoples. Although it may be something of an exaggeration, it has nevertheless been said by competent historians that the tariff was as important in causing the War Between the States as was the issue of slavery. Extremes beget extremes; and the South's grievance against the attempt of northern industrial domination was as genuine in this period as it was later, in one of the blackest pages of our domestic history, the period of reconstruction.

The last, almost deathbed breath of protection before the Civil War was the Whig tariff of 1842. The Whigs, of course, were predecessors of the present-day Republicans, and their attitudes on the tariff was as protectionist then as the Republicans are protectionist now. I do not desire to turn this speech into an objective history of the Civil War from the southern point of view, for there were, of course, many issues which led to that unhappy event.

Among the issues and causes of the war were the extreme position taken by a few, but highly vocal, men in the South on the slavery question. Surely they were wrong in that. But, there were extremists in the North. Apart from many sincere advocates of abolition, there was always lurking behind them the dead hand of northern industrialists and northern manufacturers. The aims of these industrialists before the Civil War were frustrated at every turn, owing to the Democratic majorities in Congress and a succession of Democratic Presidents from Jackson to Buchanan, 1828 to 1860. Only two Whigs, William Henry Harrison and Zachary Taylor, were elected in 32 years, and both died in office, after serving only a short time.

After the war, the Republicans emasculated Lincoln's humane plan for reconstruction. They captured the Presidency. They rigged the Congress by preventing southern representation. They established the Freedman's Bureau. Finally, they waved the bloody shirt to preserve their minority control over the processes of Government. I believe that the unwillingness of the protectionists to accept the will of the people, as expressed by the elected Congresses and Presidents before the Civil War—on such issues as trade, tariff, the cross-country railroad, and banking and currency—looms large as a factor creating the extremes which made the conflict inevitable.

What were the conditions which the protectionists so disliked? They were conditions of prosperity, of freer trade, and the protection of the consumers and the masses of the people which resulted from the trade policies of the Democratic administration of James K. Polk, 1845 to 1849, and the great freer trade tariff of 1846, named the Walker tariff, after Robert J. Walker, Polk's Secretary of the Treasury.

There are always conflicting claims between protectionists and free traders as to the causes of prosperity and depression, both pushing forward their pet theories as a cause of prosperity and the other side's pet theories as the cause of depression. Yet, no such exact measurement can be made. Nonetheless, it can be said, and it has been said by America's greatest tariff historian, the late Prof. Frank Taussig, that—

> Although a direct connection cannot be traced, he who is convinced on grounds of general reasoning and of general experience, that the principles of free trade are sound and that protective duties are harmful, can fairly deduce the conclusion that the low tariffs of 1846 and 1857 contributed, so far as they went, to general prosperity.

He continues:

> When the act of 1846 was passed, the protectionists predicted disaster; but disaster came not, either for the country at large or for the cotton industry.

In a footnote, in his Tariff History of the United States, Taussig quotes Abbott Lawrence, one of the leading Massachusetts industrialists, who predicted, when the tariff of 1846 was passed, that a general crash "will take place in the space of 18 months from the time this experimental bill goes into operation; not a specie-paying bank doing business will be found in the United States."

So said this New England protectionist and Whig. I put it to you, Mr. President, that there is an example of Whig, Republican, protectionist "doom and gloom" which far exceeds any statements by Democrats which Leonard Hall can dig from his files.

But a general crash did not take place and, in fact, the country entered a period of expansion and prosperity seldom paralleled in our history.

A few figures quoted by Percy Ashley in his Modern Tariff History will suffice to show the great expansion and prosperity which occurred in the years between 1840 and 1860. One should recall that these years were accompanied not only by the freer trade policies of the Walker tariff in 1846, but the repeal of the Corn laws in England in the same year, the end of the last vestiges of the navigation acts in England in 1849, and the free-trade tariff in 1857. England went from a protectionist basis to one of almost complete free trade. I say that because of the freer trade policy in America, which coincided with similar policies in England, and the successes of the Democratic Party in America and of the Liberal Party in England, under Cobden and Bright, the period from 1846 to 1860 was one which has rightly been referred to as a "golden age."

Let us look at some figures compiled by Ashley from the Statistical Abstracts of the United States.

Between 1840 and 1860 our population almost doubled—from 17 million to 31.4 million people.

There was a 4-percent increase in the proportion of our people living in cities of over 8,000 people—from 12.5 to 16.1 percent in these 20 years.

The quantity of wheat produced increased from 85 million bushels in 1840 to 173 million bushels in 1860. In other words, our production doubled, because America could now sell in European markets, as a result of American and British free-trade tariffs.

Corn production rose from 377 million bushels to 839 million bushels in the same period, or by 2¼ times.

Cotton produced increased from 1.3 million bales in 1840 to 4.5 million in 1860, or by 3½ times, an amount not reached again until 1877.

The value of our manufactured products was $1 billion in 1850 and $1.88 billion in 1860, an increase of 88 percent. Much of this was owing to new inventions and better transportation to markets, yet the stimulus of trade had a marked effect on this rise.

Coal output, which was 1.8 million tons in 1840, increased to 6.2 million tons in 1850 and to 13 million tons in 1860, or by 7¼ times.

The production of pig iron rose 3 to 4 times in the period—from 287,000 tons in 1840 to 821,000 in 1860—and that was before the introduction of Kelley's or Bessemer's process in the United States.

Steel-rail production increased 9 times between 1849 and 1860—from 24,000 tons in 1849 to 205,000 tons in 1860.

Cotton spindles used in the United States were estimated at 2.3 million in 1840 and rose to 4 million in 1850 and to 5.2 million in 1860—an increase of 126 percent.

Foreign trade underwent great expansion. In the 10 years from 1847 to 1857—the years of the Walker tariff—our exports doubled, rising from approximately $163 million to $306 million and our imports increased from $127.5 million to $363 million.

And, Mr. President, in spite of the lower rates of duty—and it is well to note this interesting and important fact—our customs revenue which, under the Whig protective tariff of 1842, reached a high of $27.5 million, increased to $64 million by 1856 under the lower duty Walker tariff. Lower tariffs mean more revenues, cheaper products for consumers, and greater prosperity.

Some tariff historians, largely, I fear, in deference to the manufacturing interests who dominate the boards of trustees of their colleges and universities, and who attempt to write so-called objective facts and to avoid interpretation—which make textbooks such dull reading—have said that the effect of the tariffs on this prosperity and expansion was only small. I beg to claim for the Walker tariff of 1846 and the tariff of 1857, the seed of our prosperity and expansion in those pre-Civil War years.

I can assure you that had circumstances been different, the protectionists would have been quick to say it resulted from the lower tariffs—as, in fact, they did say after the panics of 1837 and 1857—and have said on every occasion when it fitted their interests to do so.

I am reminded of the reply of the victorious general who was asked if he had won the battle. His reply:

> It is difficult to say, but I'm the one who would have been blamed if we had lost.

So, Mr. President, we Democrats do not say that our tariff policies in this period were altogether the cause—or the sole cause—of prosperity and expansion—but we can say if there had been depression and contraction, our tariff policy would have been blamed.

CONCLUSIONS TO BE DRAWN FROM TARIFF HISTORY TO THE CIVIL WAR

Well, then, Mr. President, what conclusions can we draw from our tariff history from the founding of our country to the Civil War?

We can conclude that because a tariff is a tax on consumers—like a sales tax—that the issue has divided us between those who support the consumer and the general interest, on the one hand, and those who support the restrictive and particular interest, on the other.

We can conclude that the extreme protectionist policies practiced by England—what was then called the mercantile system—led to rebellion in the American colonies and the American Revolution. In other words, our people rebelled against the same trade policies in 1776 which the protectionists wish to shackle us with today.

Further, we note that numerous articles like lead, glass, wool, iron, and textiles have been protected since the earliest days of our country—and are still unable to stand on their own two feet. After 164 years they are back again, with their palms out, asking for subsidies. They got them first with the cry of "protect the infant industries." When will these infants be weaned?

It is also apparent that protectionist policies, as practiced by the individual States under the Articles of Confederation, were restrictive, chaotic, and unproductive of the general good, and that opposition to them led, almost directly, to the establishment of our Constitution.

It is also true that because conservative leaders of manufacturing and the monied classes were dominant at the time of the Constitution, and had replaced Jefferson and the liberal leadership of the Revolution, our Constitution, while containing an enlightened policy on commerce between and among the States, fails to apply that policy to our foreign trade. And the one great free-trade article in the Constitution, that which prohibits a tax or duty on exports, was written into our Constitution at the express demand of the free-trade South.

We note, too, that Alexander Hamilton, the first great protectionist, and the ablest advocate of the interest of the monied classes, combined, as protectionists still do today, restrictive trade policies with a disdain for the welfare of the workingman and the interests of the people as a whole.

We can conclude, too, that general economic decline accompanied periods of protection—as that from 1816 to 1833—and that periods of economic growth, expansion, and prosperity were accompanied by enlightened trade policies such as those under the Walker tariff of 1846.

It is clear to us, also, that our 2-party system had its origins in the conflicts over the tariff and protection in 1824 and 1828. They led to the division of our people between Democrats and Whigs, the latter the direct predecessor of the present-day Republicans.

Just as the 2-party system grew out of the tariff conflicts of 1824 and 1928, so did the first division between North and South, which led, 30 years later, to the War Between the States.

It is clear, Mr. President, that those who live by slogans like "competition" and who wrap themselves in the shibboleths of terms like "free enterprise" and "rugged individualism" are the first to seek a tariff subsidy, to avoid competition, and to seek protection and restriction when their own interests are at stake.

Finally, Mr. President, it is fair to assert, that where the tariff was concerned, the Democratic Party was the party of freer trade, fewer restrictions, and enlightened and progressive policies while the Republicans were the party, as they are today, of protection, restriction, and narrow nationalistic interests where foreign trade is concerned.

These are the lessons of our tariff history before the Civil War. With few exceptions they are the principles to be drawn from our tariff history since the Civil War. That chapter, Mr. President, I wish to describe at some length now.

LINCOLN AND THE TARIFF

Just as the protectionists, Mr. President, invoke the fair name of labor in their own protective interest, while voting against the interests of labor on almost every other issue, so too have they attempted to tie, year after year, the name of the Great Emancipator with their cause. Meanwhile, in those qualities which really describe the martyred President—qualities which one of our great Lincoln historians, J. G. Randall, ascribed to him—his passion for humanity, his avoidance of rashness, his tolerance for others, his enthusiasm for democracy, and his awareness of social needs—are those which the protectionists who invoke his name have avoided in abundance. They have exploited the consumer. They have opposed progress. They have been apathetic to human needs. It mars the sacred name of the wartime President to hear the protectionists invoke his life and qualities in defense of their narrow, restrictive, selfish interests.

Not only do they invoke his name, but many statements ascribed to him by protectionists are false, untrue, and manufactured from the air. I refer, in particular, to the most famous of them all, used on the floor of the Senate as late as February 28 of this year. I refer to the remark which protectionists have ascribed to Lincoln that when asked whether we should build foundries to manufacture steel rails in this country

or buy them from England, he is said to have replied—and I give the putative quotation:

If we purchase a ton of steel rails from England for $20, then we have the rails and England has the money; but if we buy a ton of steel rails from an American for $25, America has both the rails and the money.

There are only a few things wrong with this quotation. First, Lincoln never uttered it. Second, the protectionists as often as not substitute the word "coat" for "steel rails," and he is said to have said the same words about many other items. They change the item to suit their case. Third, the remark was actually made, many years after Lincoln's death, by Robert Ingersoll. I ask unanimous consent that at the end of my remarks today, there be printed in the RECORD as Exhibit I, an article by Frank W. Taussig called Abraham Lincoln on the Tariff: A Myth, from the Quarterly Journal of Economics, volume XXVIII, pages 814–820, 1914, and 2 shorter additions in subsequent editions of the Journal.

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

(See exhibit I.)

Mr. DOUGLAS. This article should bury this old chestnut once and for all, and I hope that in years to come, we in the Senate may not have to listen to this old quotation ascribed to Lincoln, which Professor Taussig proved some 41 years ago Lincoln never uttered.

THE MORRILL TARIFFS OF THE CIVIL WAR

After the enlightened "free trade" tariffs of 1846 and 1857, which led to great economic prosperity and expansion, America was saddled, by the Republican Party, with the so-called Morrill war tariffs which shaped our economic policies right down to the time of the first World War. These protectionist policies were to lead to the most shameful period in our history. It was a period of corruption, debauchment, and flagrant abuse of the public trust. It was the work, in large part, of the protectionists.

I may say that the seeds for that were sown in the Republican National Convention in 1860. In many respects it was a remarkable convention, even though it did nominate a great American for the Presidency, namely, Abraham Lincoln. Even though it advocated humane measures, including homestead legislation, one feature of the program was the apparent implicit pledge which was given to the manufacturing interests of New England and Pennsylvania that if they accepted Lincoln as the candidate and if they were strongly in favor of the Republicans, the Republicans would put in a high protective tariff.

During the Civil War there were three major pieces of tariff legislation—the acts of 1861, 1862, and 1864. All were proposed and passed through the efforts of Representative Morrill, the chairman of the House Ways and Means Committee, and one of the strongest protectionists, with the possible exception of McKinley, in our history. In addition, hardly a month passed during the Civil War, that rates and duties were not raised by individual legislation.

It was a period in which every selfish interest appearing before Congress was given its way and sometimes given more protection, even than it asked for. Rates were raised from an average of 30 percent to 47 percent, although the average does not give a proper view of increases for specific items. The effect, in part, was to launch this country on a period of permanent deflation—from 1872 to the turn of the century—when economic conditions for the people got worse and worse, the banking and financial interests got richer and richer, and the "robber barons" and the new rising industrialists captured the country and the Government and used it to promote their own interests. This was a result, in large part, of protection.

It all started when in the session of 1859–60 the first Morrill tariff was passed by the House ostensibly to put tariff rates back to the 1846 level from the new low levels of the 1857 tariff—but really to gain Pennsylvania for the Republican Party in the 1860 election. It did not pass the Senate until the session of 1860–61. Iron and wool were the main products benefited. Specific duties were substituted for ad valorem and the rates increased to an average of 35 percent. One of the old tricks of the protectionists was pulled in this bill. They claimed that the specific rates substituted were the equivalent of the ad valorem duties in 1846, but in fact they were much higher. On any number of occasions this same type of fraud has been perpetrated by the protectionists.

The 1862 Morrill Act raised the rates to an average of 37 percent, and was imposed ostensibly to offset the internal excise taxes levied on specific commodities to pay for the war. Thus, manufacturers whose products were taxed during the war were given at least an equal subsidy by way of the increased tariff—thus loading on the consumer a double jeopardy for payment of the war. They paid once by higher prices for items because of the excise taxes, and they paid again by way of higher prices because the increased tariff was loaded on the final sales price of the product. That war, in the North at least, was paid for by consumers through inflation, through the issuance of cheap money greenbacks, and by way of excise taxes and tariff duties, while the bankers and the moneyed interests were compensated for the excises and promised gold in return for the greenbacks they used to buy bonds.

The same purpose was served by the Morrill tariff of 1864. According to Taussig the stated purpose of the act was to "put domestic producers in the same situation, so far as foreign competition was concerned as if the internal taxes had not been raised."

Thus, the war was used as an excuse for protection. Almost every producer who appeared before Congress got what he wanted—and sometimes even higher rates than he asked for, and, as Taussig comments:

Schemes for moneymaking were incorporated in it (the 1864 bill) and were hardly questioned by Congress. When more enlightened and unselfish views began to make their way, these (abuses and excessive duties) had obtained * * * too strong a hold to be easily shaken off.

Taussig sums up the effect of the war tariffs in this way:

The war had in many ways a bracing and ennobling influence on our national life; but its immediate effect on business affairs, and on all legislation affecting moneyed interests, was demoralizing. The line between public duty and private interest was often lost sight of by legislators. Great fortunes were made by changes in legislation urged and brought about by those who were benefited by them; and the country has seen with sorrow that the honor and honesty of public men did not remain undefiled.

So we see that the selfishness of the protectionists resulted in yet another evil in the history of our country—that of helping to debauch the morality of our national life. The effect of protection was to corrupt, to infect, and to pollute the moral tone of American life—and I say that if the protectionists gain their way this week—if we give in to the claims of the selfish interests for amendments to this bill, the door will be opened once again to corruption, infection, and pollution.

What party was responsible for protection and for the corruption of our national life? I have a record of the vote on the Morrill tariff of 1861, taken in the House before the rebellion, and the Morrill tariff of 1864, when the southern Representatives were gone. Of those who voted "yea" on the act of 1861, a vote taken in the House in 1860, 89 of 105 yeas were Whig and Republican votes, 7 were from Democrats, and the others scattered among a group of minor parties. Of the 64 nays, 59 were from Democrats. In the Senate, the 25 "yeas" included 22 Whigs and Republicans, 1 Democrat, and 2 Free Soil votes. The 14 "Nays" were from 13 Democrats and 1 Whig.

On the vote for the Tariff of 1864, of the 82 "yeas" in the House of Representatives the Republicans and their satellite parties, provided 73 of those votes against 9 Democratic votes. In the Senate, all but 1 of the 22 votes for protection were from Republicans and their allies. The 26 opposition votes in the House were made up of 23 Democratic votes, and in the Senate all 5 votes against the Tariff of 1864 were Democratic votes.

It is clear then, that the beginning of modern protectionist policies can clearly be laid at the feet of the Republican Party. It is clear from their representation and votes in Congress that they have been the party of protection from the very time they gained office down to the present day.

FROM THE CIVIL WAR TO M'KINLEY PROTECTION

During the period following the Civil War the tariff issue again played a big part in our political life. First of all, industry got another windfall. The internal excise taxes placed on their products were removed so that by 1872 no important ones remained. Yet the higher tariff rates, imposed during the war to compensate the protectionists for the excise taxes they paid—or more properly, passed on to the consumer—remained on the books. Now, they were in an even better position than during the war when

their taxes were offset by the tariff subsidy. Now they paid no tax but kept the subsidy. Even Morrill himself thought that there might be some reduction in the extreme tariff rates. But, they were retained at the war-time levels.

While agriculture suffered depression from 1867 to the turn of the century, the excess revenues in the Treasury from the War Tariffs amounted to $100 million in the years 1870–72. Agitation was so great from southern and western representatives to lower the tariff that a strong bill was reported out of the House Ways and Means Committee to create a permanent reduction in the war duties. But, the Senate countered with a bill—backed by the protectionist interest and particularly one John L. Hayes, Secretary of the Wool Manufacturers Association and later—1882—President of the Tariff Commission—to reduce duties by only 10 percent. In this the protectionists were successful.

Then, as now, a Republican administration—Garfield-Arthur—followed the practice of appointing to membership of Government commissions, whose trust it is to represent the public interest, men who have a background, training, and a vested interest in the very industries and subjects which they are supposed to regulate or pronounce judgment about. This is the way the Republican Party has acted historically. And I am compelled to say that present-day policies like the oil giveaway, the dividend exemption, accelerated amortization, the commission appointees, the economic policies of deflation and hard money, the promotion of mergers, and the constant compromise with protectionists, are all policies of the Eisenhower administration which, certainly compare in kind if not in extent—in the case of oil, to a greater extent—with those of the series of Republican administrations from Grant to McKinley and again under Harding, Coolidge, and Hoover.

It should be noted further that although there was a reduction in 1872 the reductions were made on items not produced in the United States so that the protected industries remained protected. Our Mr. Hayes called the act one which resulted in "A reduction of over $50 million, and yet taking only a shaving off from the protection duties." And even these reductions were restored, in 1875, at the protectionists' behest.

The effect of the reduction was meaningless. First, they were restored in 1875. Second, as duties now averaged 47 percent and most of them were specific—such as 5 cents a yard for cotton tissues—the rates were even higher than they seemed. The reason is that the Republican Party pursued a policy of permanent deflation from 1867 to 1896. Thus while the duty, from 1861 to 1872, rose from 1 cent to 5 cents a yard on an item like cotton tissues—raw cotton fell to its prewar price. The effect of the act of 1872, even though it lowered duties by an average of 10 percent, was to increase rates when one considers the change in price levels.

In the year 1883 there was a reduction in the average level of the tariff from 47 percent to 42 percent, but according to Taussig:

> Looking at the tariff system as a whole, it retained, substantially unchanged, the high level of duties reached during and after the Civil War.

It was over this bill, however, that we have an example of parliamentary intrigue and trickery—I will not call it more—by the protectionists. The House of Representatives was less protectionist than the Senate. By a maneuver the protectionists, who were unsuccessful with a tariff bill in the House, in the Senate tacked on their tariff bill as an amendment to a revenue bill from the House. The bill was then sent to a conference committee, where the rates were increased. Representative Morrison, a freetrader from Illinois, explained this maneuver in the following terms:

> The office and duty of a conference committee is to adjust the differences between two disagreeing Houses. This House had decided that bar-iron of the middle class should pay $20 a ton; the Senate that it was to pay $20.16 a ton. The gentlemen of the conference committee reconciled this difference—how? By raising bar-iron above both House and Senate to $22.40. The Tariff Commission reported that the tariff on iron ore should be 50 cents a ton. The Senate said it should be 50 cents a ton. The House said it should be 50 cents a ton. Gentlemen of the conference committee reconciled the agreement of the House, Senate, and the Tariff Commission into a disagreement, and made the duty on iron ore 75 cents a ton. The gentlemen of the conference did a similar service for the great corporation of corporations, the Iron & Steel Association, by giving it a tax of $17 on steel rails, which the House had fixed at $15 and the Senate at $15.68 per ton. (Taussig, History, p. 233. CONGRESSIONAL RECORD, 1883–84, p. 2786.)

That was the lower-duty tariff of 1883.

M'KINLEY PROTECTION RESULTS IN DEPRESSION AND TRUST MOVEMENT

From 1888 to the end of the century, tariffs, trusts, and the silver controversy were the chief political issues of the day. President Cleveland, in his third annual message to Congress in 1887, called the tariff a "vicious, inequitable, and illogical source of unnecessary taxation," and devoted his entire message to tariff reform. The election of 1888 was fought on the issue and the Republican electoral victory led to the McKinley tariff of 1890.

So far as the popular vote was concerned, Grover Cleveland had a plurality, as Tilden had a plurality in 1876. Harrison had the electoral vote. The Democratic Party was really the majority party from 1876 to 1896. Not satisfied to accept their victory as a mandate to keep the existing level of unnecessary protection, the Republicans construed their victory as a mandate to raise the rates. The average level was now increased to 50 percent.

The purpose of the McKinley Tariff Act was to make protection permanent. In their aim at economic isolation the Republicans no longer argued the tariff on grounds of protecting "infant industries" but frankly supported it as a permanent commercial policy.

The effect was political and economic reaction which swept the Republicans from office and contributed to the depression of 1893–94. In 1894, the Democrats passed the Wilson Act which lowered duties by 20 percent and freed raw materials, especially wool, from import duties.

The Republican Party claimed that the depression of 1893 was caused by the Tariff Act of 1894, which has always seemed to me to be a strained piece of reasoning.

Mr. President, in the city of Chicago, William Jennings Bryan was nominated by the Democratic Party for the Presidency after one of the most remarkable orations in the history of the Nation. The party was then in the same situation in which it finds itself today. Mr. Bryan made a tremendous campaign, and during the summer and early fall it looked as though he were winning. But the chairman of the Republican National Committee was Marcus Alonzo Hanna, who had sponsored William McKinley and was in charge of his campaign. He sent agents out to get large campaign contributions. No one knows how much money was contributed to the campaign of 1896, but it is indicated that Hanna sent word that they were to "fry the fat" out of the manufacturers. The manufacturers of Pennsylvania and other States were called upon and they furnished money to help defeat Bryan in the November elections. After the elections were won, the contributors were paid off. The Dingley Tariff Act of 1897 was passed.

I grew up in the State of Maine, in a small woolen-mill town, and it was stated that in that town as in other towns the owners and managers of the woolen mills called the workers together on the Saturday before election and told them that if they voted the Democratic ticket and if the Democrats won, the woolen mills would be closed down and the people would be out of work. The implication was clearly made that the ballot was not a thoroughly secret ballot, and that it would be known how the voters voted, and that if they had a lively view for their own self-interest they would vote the Republican ticket. That was a common experience. The people of New England never forgot that.

With the election of McKinley in 1896 over the issue of gold and hard money, the Republicans reverted to their old ways, compensated the supporters from whom Mark Hanna had gained funds and passed the Dingley Act of 1897, which raised tariffs to 57 percent—the highest in our history to that date. The major effect of this tariff was to promote trusts and mergers, which has been one of the worst consequences of protection.

THE TARIFF AND THE TRUSTS

The post Civil War protectionist policies certainly gave impetus to the rise of the trust movement, although there were a number of other factors responsible. These included the rise of large-scale manufacturing, the control of politics by industrialists, the protection business gained from the extreme interpretation of the 5th and 14th Amendments by the Supreme Court to protect property rights, and the profits which investment firms made from the mergers. It is well to remember that J. P. Morgan

& Co. pocketed $62 million in the deal which established U. S. Steel.

But certainly among the reasons for the trust movement was protection and the tariff. In fact, H. O. Havermeyer, the president of the sugar trust, stated that "the mother of all trusts is the customs tariff." One finds that the list of major American trusts and monopolies was almost identical with the list of protected industries—iron and steel, sugar, tobacco, steel rails, petroleum, lead, copper, beef, salt, matches, whisky, tin cans, locomotives, glassware, rubber goods, and leather, to name a few.

Mr. President, in the cartoons of that period, the Senate Chamber was depicted as an assembly of representatives of the trusts. I have seen cartoons of that period in which Senators were labeled as representatives of the steel trust, of the express companies, and of tobacco interests. I have seen them labeled as "sugar" Senators, "petroleum" Senators, and "copper" Senators. I do not know whether any of them were labeled as "whisky" Senators. But certainly they were regarded as being on the floor merely the embodiments of the trust interests which sent so many to this body.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. O'MAHONEY. Does the Senator imagine that any of the evils of which he speaks can be avoided, when Congress delegates the power to make agreements in secret to privately appointed individuals, who will carry on their negotiations in secret, and who will make known to all the countries of the world what is being done through the trade agreements with the United States before Congress is given that information in full daylight?

Mr. DOUGLAS. All I can say is that in the period in which tariffs were made by the legislative bodies, special groups brought terrific pressure to bear on Congress. General interest is always weak, so with the exception of the Underwood tariff of 1913, almost all the tariffs made by Congress were in the upward direction; while, to the contrary, the reduction in tariffs began in 1934, when that great American leader, Cordell Hull, took the lead in establishing reciprocal tariffs.

If trusts were a problem before 1897, they were an even greater problem afterwards. The Dingley tariff preceded, if it did not lead to, the greatest flurry of industrial combination in our history to that date. A few figures may be illuminating. In the census of 1900, it was estimated that there were 185 industrial combinations. Although they made up only one-half of 1 percent of the number of industrial corporations, they owned 15 percent of the capital and produced 14 percent of all manufactured products in the country. And the iron and steel trust produced one-half of the gross value of the products produced by all the industrial combinations.

By 1904, it is estimated that the number of combinations and trusts had grown to 318. They had capital assets of $7.2 billion, a third of which were controlled by 7 corporations. Further, 5,300 individual plants had been consolidated into these 318 combinations. According to the economist, H. P. Seager, author of Trust and Corporation Problems, by 1904 the trusts controlled fully two-fifths of the manufacturing capital of the country.

Therefore, we have yet another item to add to the bill of particulars against excessive tariffs and protection—namely, that tariffs gave aid to the trust movement even if it exaggerates their influence to call them the mother of trusts and that the highest tariff in our history, that of 1897 under McKinley, aided and abetted, if it did not lead to, a trust movement unprecedented before that time.

THE PAYNE-ALDRICH ACT OF 1909

In 1909, the Republicans under Taft, aware of the discontent of the Middle Western farm groups and the great public indignation over the growth of the tariff and of trusts, passed the Payne-Aldrich Act.

I may say that in the State of Iowa a movement had developed against the protective tariff, on the very proper ground that by preventing European countries from selling to us, it prevented European countries from buying from us, and therefore shut off the export of our farm goods.

A young Lochinvar by the name of Albert B. Cummins started a campaign for lower tariffs, and was joined by the silver-tongued Jonathan Dolliver. They advanced the idea that there should be lower tariffs in order to stimulate the export of American farm products.

A historic battle was fought in the Senate and the House, but the Republican Old Guard passed the Payne-Aldrich Act, which attempted to satisfy the public clamor for lowered rates, but which, in fact, "brought no essential change in our tariff system," according to Taussig.

It did abolish the duties on hides, but it raised them on cotton, silk, and a large number of smaller items, and kept effective protection for trusts like the iron and steel industry. When pressed, some of our Republican friends who have had some training in economic affairs and whose consciences are sensitive to charges of favoritism to industry, cite this act as an example of their progressive tariff policies. But, as Taussig says, "This act as finally passed brought no real breach in the tariff wall, and no downward revision of any serious consequence." He adds that "In the Senate, things went in star-chamber fashion, and the familiar process of logrolling and manipulation was once again to be seen." In fact, the failure of the act to lower the schedules protecting the trusts was a major factor in the split of the Republican Party into two wings and the rise of the Progressive Party in 1912.

President Taft, in a rear platform address in Winona, Minn., gave his approval to the Payne-Aldrich tariff, and touched off a revolt in the prairies.

DEMOCRATS REVERSE PROTECTIONIST POLICY

The issue of the 1910 election was the tariff. The Democrats won a decisive victory and carried the House by 228 to 165. However, popular election of Senators had to await the passage of the 17th amendment in 1913, and Republican control of the Senate until the 63d Congress of 1913–15 kept reform tariff legislation from the books.

In the 1912 election, the Democrats carried the Presidency and both Houses of Congress, to complement their victory in 1910. The result was the first complete reversal of tariff policy since the protectionists gained the day in the 1860's. The Underwood Act was passed in 1913, greatly reducing rates—to an average of 30 percent—and the Democratic Party launched a program of reform and progress with such legislation and executive action as the Clayton Anti-Trust Act, the establishment of the Federal Reserve Board, the Federal Trade Commissions Act, the repudiation of dollar diplomacy, and Wilson's veto of the literacy test for immigrants. The Underwood tariff, which took gigantic strides toward freer trade, was a cornerstone of progressive and enlightened policy as were the Reciprocal Trade Act of 1934 and the Walker tariff of 1846. One cannot avoid the conclusion, from the history of our tariff legislation, that freer trade is connected with reform and progress, and that protection has held sway during periods of reaction, retreat, and trust building.

The Underwood Act lowered duties on more than a hundred items, and most important on such items as food, textiles, iron, and steel. To offset the loss in revenue, Wilson established the graduated income tax, which substituted a fair and equitable method of taxation—that of taxing people according to their means—for the unjust method of taxation by tariff, which hits the consumer and raises the prices of the workingman.

TARIFFS OF THE TWENTIES

America entered another period of protection, reaction, and isolation in the 1920's. As in other periods of protection, this too was a period of business and industrial domination, the rise of trusts and monopolies, the abandonment of the consumer, a great farm depression, stock-market speculation, and scandals and corruption.

The two major pieces of tariff legislation were the Fordney-McCumber Act of 1922 and the Smoot-Hawley-Grundy Act of 1930. There was also the Emergency tariff of 1921. When the war was over and the Republicans captured the White House, they entered on a period of "normalcy." The first effect was a major farm slump in 1920–21, and the Republicans, whose policies helped partially to bring it on, used the slump as an excuse for protection. The emergency tariff of 1921 imposed heavy duties on imports of agricultural products, but the aid to farmers was negligible, because farmers continued in a slump and depression throughout the twenties.

In 1922, the Republicans passed the Fordney-McCumber Act which raised duties to the level of the old Payne-Aldrich Act. Then came the Smoot-Hawley-Grundy Act of 1930 which raised rates another 20 percent. In the 1922 act, the President was given authority to raise or lower duties by 50 percent—to "equalize production costs." Of the 37 times when this authority was used, it was used in 32 instances to raise duties. Few protectionists then

complained of the unconstitutionality of the President's power to raise or lower duties by 50 percent. It has only been since the Reciprocal Trade Act gave the President authority to lower duties, primarily, that the protectionists have seen any constitutional issue in this grant of power to the President.

Thus the Republicans in the 1920's took us back to extreme protection. When the protectionists and selfish interests gain command in matters of trade, one can count on their gaining power over other policies of government. What were some of the results of this period?

At the end of the twenties, monopoly was more widespread than in 1900. The Republicans welcomed the advent of holding companies like that of Sam Insull. The Federal Power Commission was packed with big business representatives. The League of Nations was repudiated. Immigration was restricted. There were Teapot Dome, the Veterans' Administration scandals, and the machinations of the Ohio gang. There was the speculative boom, the collapse of the stock market, and the great depression.

These scandals and policies were not the direct result of protection and high tariffs but, throughout our history, whenever protectionists are supreme, one tends to see a decline in public morality, the capture of the instruments of government by the rich and well born, and an absence of compassion for the people. These conditions had prevailed under Hamilton, in the period of protection from 1816 to 1830, from 1860 to the turn of the century, and during the 1920's—all periods of protection.

And I may say, Mr. President, that the tariff of 1930, put through by the Republicans, known as the Hawley-Smoot-Grundy tariff, was an extraordinary affair. I happened to be one who was largely responsible for drafting a statement which pointed out what was going to happen if that tariff bill was enacted into law, and in the statement which I prepared, a copy of which I hold before me, which I have not seen for many years, we said that such a tariff "would operate, in general, to increase the prices which domestic consumers would have to pay. By raising prices, they would encourage concerns with higher costs to undertake production thus compelling the consumer to subsidize waste and inefficiency in industry."

At the same time we pointed out it would help to shut off our export market, because "countries cannot permanently buy from us unless they are permitted to sell to us, and the more we restrict the importation of goods from them by means of ever higher tariffs, the more we reduce the possibility of our exporting to them."

We pointed out that the vast majority of farmers would lose as consumers, by paying higher prices, for the products which they would buy, and as producers, because their ability to sell their products would be restricted by the barriers placed in the way of foreigners who wished to sell manufactured goods to us.

We pointed out that our exporting industries, such as copper, which was then an exporting industry, automobiles, agricultural machinery, typewriters, and the like, would be affected fully as much as farming and that if such tariffs were imposed other countries would follow suit and impose retaliatory tariffs.

We obtained the signatures of 1,028 economists asking that the President veto the bill which is an unusual occurrence itself, because my colleagues know the witticism that if all the economists in the country were laid end to end, they would not reach a conclusion. But in this instance we had unanimity among the economists of the country, asking for a veto of the Hawley-Smoot-Grundy bill. Nevertheless, President Hoover signed the bill.

All the predictions we made came true. Instead of the tariff building up trade, trade fell off. Other countries did impose retaliatory tariffs. England adopted the policy of "imperial preferences." France and Germany raised their tariffs. The world entered a period of economic nationalism. American prosperity, which had been badly shaken, plunged deeper into a depression.

It is always ungracious to point to the past and say, "I told you so," but if events ever vindicated anyone, I submit they vindicated the statement which I drafted in the spring of 1930.

Madam President, I ask unanimous consent that the statement signed by the 1,028 economists asking the President to veto the tariff bill of 1930, together with the names of the signers, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

THE HISTORY OF THE RECIPROCAL TRADE ACTS

Mr. DOUGLAS. In 1932 the country elected Franklin Roosevelt and in 1934 the Congress passed the Hull Reciprocal Trade Agreements Act—as an amendment to the Tariff Act of 1930. It delegated to the President, for a 3-year period, the power to conclude agreements with other nations without specific congressional approval. It limited his power to reduce tariffs to 50 percent of existing duties on January 1, 1934. Each agreement, of course, was subject to possible termination at the end of the 3-year period if the Congress failed to extend the authority.

Congress did extend that authority in 1937, 1940, and 1943 without significant amendments, and in 1945 after the reelection of Franklin Roosevelt in 1944, it extended the authority and gave the President the further authority to lower rates by 50 percent of the existing duties as of January 1, 1945. Thus, any item which had been reduced by 50 percent in the period 1934–45 was subject to another possible reduction of 50 percent—or a 75 percent reduction in all—for concession from other countries. I wish to emphasize that they were not granted without return. In return for those concessions, we required equivalent, corresponding reductions on the part of other countries.

Mr. President, in a few moments I shall file tables to indicate the concessions which we obtained from other countries in return for the concessions which we had made.

In the period 1934–45, the United States concluded trade agreements with 29 countries. However, in the years from 1844 to 1934—or the 90 years preceding the Reciprocal Trade Agreements Act—the United States was able to negotiate and ratify only 3 reciprocity treaties under the general treatymaking power. At the same time, there were at least 11 major failures in which treaties were either rejected by the Senate, were never submitted to the Senate, or on which the Senate failed to act.

Therefore, it has only been under the delegation of power to the President that reciprocity has been possible, and without it America's hands would be tied in negotiating trade agreements if past history is any measure of the future.

As the staff papers of the Randall Commission make clear, 1945 was the high water mark of the Reciprocal Trade Agreements Act. Since that time, except for the 2-year extension by the Democrats in 1949, the act has been so modified by peril-point and escape-clause provisions, and by President Eisenhower's tacit agreement with the protectionists in his own party that he would not negotiate any major agreements, that the act may now be as important as a protectionist device as it is as legislation for freer trade.

There were several important consequences which followed from the original act of 1934.

First, of course, is the fact that it made the lowering of tariff barriers by reciprocity possible. The experience of the previous 90 years had been disastrous.

Second, it avoided the logrolling sessions which the Congress went through at every period of tariff revision preceding the 1934 act. Now, instead of every Congressman trading a vote for higher tariffs on a product from his colleagues' district for a vote for a higher tariff on a product from his own district, nations sat down around a table and we offered a lower duty on one of our imports for a concession from another country for a lower duty on one of our exports. And, under the unconditional, most-favored-nation policy, such reciprocal concessions were granted by all other countries with whom we had agreements, and with whom the individual party we negotiated with had agreements.

In other words, we substituted for logrolling among Congressmen for higher duties, logrolling among nations for lower duties. That has been the effect of the act.

Third, Mr. President, our trade, under the Reciprocal Trade Act and its extension greatly expanded between 1934 and 1948. Our exports, for example, rose in value from $2.2 billions in 1935 to $14.2 billions in 1947. Over $11 billions of that trade in 1947 was with countries with whom we had agreements under the trade act.

Madam President, I have already asked unanimous consent to have inserted in my remarks at this point tables from part IV of the report by the United States Tariff Commission on our trade-agree-

ment program from June 1934 to April 1948 entitled "Trade Agreement Concessions Obtained by the United States." These tables show the extent to which our trade increased under the Trade Agreements Act.

The PRESIDING OFFICER (Mrs. SMITH of Maine in the chair). Without objection, the tables will be printed in the RECORD at this point.

The tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*United States domestic exports to trade-agreement countries, by groups, and to non-trade-agreement countries, average, 1935–39, and selected years, 1935–47*

Destination	1935	1937	1939	Average, 1935–39	1947 [1]
	Value (million dollars)				
All countries, total	2,243.1	3,298.9	3,123.3	2,828.3	14,278.3
Agreement countries	1,624.3	2,482.9	2,424.2	2,124.3	11,699.1
Countries with which the United States had agreements in effect before Jan. 1, 1948	1,395.9	2,143.1	2,109.8	1,834.4	9,854.7
Participating at Geneva (see table 2)	1,142.9	1,689.5	1,644.2	1,461.1	6,770.2
Not participating at Geneva (see table 4)	253.0	453.6	465.6	373.3	3,084.5
Countries party to the Geneva agreement [2]	1,371.3	2,029.3	1,958.6	1,751.0	8,614.6
Agreements in effect before Jan. 1, 1948 [2]	1,142.9	1,689.5	1,644.2	1,461.1	6,770.2
No agreements in effect before Jan. 1, 1948 (see table 3)	228.4	339.8	314.4	289.9	1,844.4
Nonagreement countries (see table 5)	618.8	816.0	699.1	704.0	2,579.2
	Percent of total				
All countries, total	100.0	100.0	100.0	100.0	100.0
Agreement countries	72.4	75.3	77.6	75.1	81.9
Countries with which the United States had agreements in effect before Jan. 1, 1948	62.2	65.0	67.5	64.9	69.0
Participating at Geneva	50.9	51.2	52.6	51.7	47.4
Not participating at Geneva	11.3	13.8	14.9	13.2	21.6
Countries party to the Geneva agreement [2]	61.1	61.5	62.7	61.9	60.3
Agreements in effect before Jan. 1, 1948 [2]	50.9	51.2	52.6	51.7	47.4
No agreements in effect before Jan. 1, 1948	10.2	10.3	10.1	10.2	12.9
Nonagreement countries	27.6	24.7	22.4	24.9	18.1

[1] Preliminary.
[2] Includes countries listed in table 2 (data totaled above) and those listed in table 3 (data totaled below).

TABLE 2.—*United States domestic exports to countries having previous trade agreements with the United States which are parties to the Geneva agreement, average 1935–39 and selected years 1935 to 1947*

[In millions of dollars]

Destination	1935	1937	1939	Average, 1935–39	1947 [1]
Belgium-Luxembourg:					
Metropolitan areas	56.7	94.7	64.2	70.1	520.0
Dependencies	1.1	2.3	2.5	1.9	50.0
Brazil	43.4	68.3	79.9	60.4	640.6
Canada	308.2	491.5	468.9	418.1	2,012.0
Ceylon [2]	1.3	1.7	1.6	1.4	47.1
Cuba	59.2	90.8	80.8	74.6	485.5
France:					
Metropolitan area	112.4	161.1	180.2	142.5	807.1
Dependencies	10.8	16.9	17.4	14.8	151.2
Netherlands:					
Metropolitan area	48.5	88.6	96.6	76.4	378.9
Dependencies	25.7	59.8	74.5	51.9	177.5
United Kingdom:					
Metropolitan area	426.3	529.6	499.0	480.8	1,092.9
Dependencies	49.3	84.2	78.6	68.2	407.4
Total, countries listed	1,142.9	1,689.5	1,644.2	1,461.1	6,770.2

[1] Preliminary.
[2] Trade covered by pre-Geneva agreement with the United Kingdom.

TABLE 3.—*United States domestic exports to countries participating in the Geneva agreement with which the United States had no previous agreement, average 1935–39 and selected years 1935 to 1947*

[In millions of dollars]

Destination	1935	1937	1939	Average, 1935–39	1947 [1]
Australia	56.8	73.4	61.3	63.7	234.7
Burma	(3)	(3)	(3)	(3)	(3)
Chile	14.8	23.7	26.6	21.0	124.9
China	38.0	49.5	55.5	44.9	352.6
Czechoslovakia	3.2	13.0	3.7	10.2	48.6
India and Pakistan [3]	31.2	43.6	46.8	36.8	405.3
Lebanon and Syria	2.4	2.5	3.2	2.5	43.0
New Zealand	15.6	23.8	16.5	19.8	76.6
Norway	13.6	22.0	31.8	21.0	146.4
Southern Rhodesia	(4)	(4)	(4)	(4)	(4)
Union of South Africa	52.8	88.3	69.0	70.0	412.3
Total, countries listed	228.4	339.8	314.4	289.9	1,844.4

[1] Preliminary.
[2] Not separately reported before 1938; statistics included with India throughout.
[3] Statistics include Burma.
[4] Not separately reported in earlier years; included in "United Kingdom dependencies" (table 2) throughout. The amount is small.

TABLE 4.—*United States domestic exports to countries which are not parties to the Geneva agreement but with which the United States has trade agreements, average 1935–39 and selected years, 1935 to 1947*

[In millions of dollars]

Destination	1935	1937	1939	Average, 1935–39	1947 [1]
Argentina	49.2	93.3	70.6	71.4	678.1
Colombia	21.3	38.7	50.6	35.6	216.7
Costa Rica	2.3	4.4	9.7	5.0	34.9
Ecuador	2.8	5.0	5.8	4.0	39.9
El Salvador	2.8	3.6	4.1	3.4	28.4
Finland	6.0	12.2	13.2	10.2	59.2
Guatemala	3.9	7.4	8.5	6.2	41.2
Haiti	3.2	4.0	5.1	4.0	25.1
Honduras	5.6	5.5	5.8	5.6	29.8
Iceland	.1	.2	.4	.2	15.7
Iran	4.3	5.5	4.4	5.7	33.9
Mexico	64.5	105.8	80.8	77.0	616.5
Paraguay	.7	.7	.7	.6	7.7
Peru	12.0	18.9	18.8	15.9	91.1
Sweden	38.0	64.3	94.2	60.6	395.1
Switzerland	7.4	9.4	17.9	10.5	190.0
Turkey	4.3	14.9	8.3	9.4	81.0
Uruguay	6.2	13.1	5.1	7.6	75.2
Venezuela	18.4	46.2	61.6	40.4	425.0
Total, countries listed	253.0	453.6	465.6	373.3	3,084.5

[1] Preliminary.

Mr. DOUGLAS. Fourth, Madam President, not only did our trade increase, but we also gained great concessions from other countries. It is often said, and was said many times in the House debate on H. R. 1, that reciprocity has been a 1-way street. This, of course, is not borne out by the facts. I have in my hand tables from the same publication by the Tariff Commission which show the rise in exports from America to countries who gave concessions to us under the Reciprocal Trade Act. I ask unanimous consent to have them printed in the RECORD at this point.

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

TABLE 8.—*Major United States export products: United States exports to all countries and imports into agreement countries from the United States in 1939 of items on which concessions have been obtained under trade agreements through 1948*

[In thousands of dollars]

Commodity or class of commodities	United States exports, 1939 [1]	Imports into agreement countries from the United States on which commitments were made [2]				
		Total	Kind of commitment			
			Binding of free status	Binding of duty against increase	Reduction in duty	Other commitments [3]
Agricultural:						
Pork	20,184	16,483	893	3,038	4,023	8,529
Lard	20,222	19,379	730	47	18,602	
Dairy products	7,136	2,893	68	1,857	948	20
Barley	3,345	3,826	176	3,517	130	3
Corn	19,802	1,975			1,783	192
Rice	9,187	8,139	868	682	6,588	1
Wheat	36,815	37,310	15,727	3,999	16,216	1,368
Wheat flour	24,574	19,063	3,043	9,620	6,400	
Oil cake and oil-cake meal	9,021	3,313	2,757		58	498
Fresh vegetables:						
Potatoes	2,252	1,267	25		1,233	9
Other	5,522	4,558		23	4,356	179
Canned vegetables:						
Asparagus	1,609	1,239		275	964	
Other	2,857	558		57	476	25
Grapefruit	1,749	1,222		55	1,166	1
Lemons	2,186	2,097	1,272	576	249	
Oranges	11,265	10,670	136	3,778	6,756	
Fresh apples	10,592	13,241	398	2,751	9,246	846
Fresh grapes	2,184	2,226	199	737	1,290	
Fresh pears	3,284	5,435	349	1,025	3,974	87
Raisins	7,010	6,184	50	257	5,877	
Dried apples	1,894	1,657	258	27	1,372	
Dried apricots	3,697	2,910	266	13	2,631	
Dried prunes	7,067	6,530	525	322	5,683	
Canned fruits	25,061	23,953		921	22,877	155
Soybeans	10,603	779		290	489	
Leaf tobacco, unmanufactured	76,826	67,228	174	17,363	2,735	46,956
Raw cotton and linters	242,965	138,356	126,432	10,867	1,057	
Nonagricultural						
Salmon, fresh, salted or canned	7,275	5,911		20	5,891	
Sardines, canned	3,870	1,484		526	958	
Leather	13,042	7,455	191	2,376	4,333	555
Automobile tires and tubes	17,689	6,954	71	3,775	3,108	
Cigarettes	12,646	1,562		388	509	665
Cotton cloth	36,549	12,506		1,367	5,383	5,756
Lumber	39,314	37,674	6,820	15,686	14,818	350
Paper and manufactures	31,737	13,376	486	3,316	9,173	401
Coal	62,698	32,271	940		31,331	
Coke	3,873	1,875	53	1,797	25	
Crude petroleum	92,790	30,928	27,126	1,996	1,499	307
Petroleum products:						
Lubricating oils and greases	95,373	30,288	24	6,054	7,978	16,232
Other	194,958	34,352	1,852	13,358	5,038	14,104
Sulfur	11,682	7,974	7,112	783	75	4
Iron and steel mill products	235,674	54,351	849	29,547	19,787	4,168

[1] From Foreign Commerce and Navigation, U. S. Department of Commerce.

[2] Statistics on imports into Argentina, Costa Rica, Ecuador, El Salvador, Finland, Guatemala, Haiti, Honduras, Uruguay, Venezuela, and French dependencies were not available in a form suitable for tabulating and United States statistics of exports to these countries were used as measures of the trade covered by their concessions.

[3] Includes imports subject to commitments as to monopoly or quantitative controls, commitments of British countries as to margin of preference unaccompanied by commitments as to rate of duty, and commitments as to duties which are reduced by indeterminate amounts and as to duties which may be increased within specified limits.

TABLE 8.—*Major United States export products: United States exports to all countries and imports into agreement countries from the United States in 1939 of items on which concessions have been obtained under trade agreements through 1948*—Continued

[In thousands of dollars]

Commodity or class of commodities	United States exports, 1939	Imports into agreement countries from the United States on which commitments were made				
		Total	Kind of commitment			
			Binding of free status	Binding of duty against increase	Reduction in duty	Other commitments
Nonagricultural—Continued						
Aluminum and manufactures	23,703	7,988	375	6,117	1,344	152
Copper and manufactures	97,185	20,286	16,991	2,144	514	637
Batteries	6,457	1,239		869	370	
Refrigerators	18,140	10,606	330	4,467	5,809	
Radios and apparatus	22,177	16,511		9,168	6,777	566
Industrial machinery	289,896	135,358	8,857	68,374	51,939	6,188
Office appliances	29,166	20,908		5,910	14,633	365
Agricultural machinery	20,518	17,659	3,330	9,164	5,165	
Tractors and parts, including agricultural tractors	47,989	32,792	15,728	7,262	6,941	2,861
Automobiles	253,722	166,188	169	77,726	67,793	20,500
Aircraft and parts	117,806	55,324	9,905	41,157	3,402	860
Medicinal and pharmaceutical preparations	22,317	7,092	365	2,931	3,771	25
Pigments, paints, and varnishes	22,762	11,897	600	7,339	3,929	29
Fertilizers and fertilizer materials	16,991	4,830	4,580		167	83
Photographic goods	19,064	12,640	350	8,370	3,471	449

TABLE 9.—*Major United States export products: Imports from the United States in 1939 of items on which the United States has obtained reductions in foreign import duties under trade agreements, by degree of the reduction*

[In thousands of dollars]

Commodity or class of commodities	Total	Degree (percent) of reduction in duty					
		100	76 to 99	51 to 75	36 to 50	25 to 35	Less than 25
Agricultural:							
Pork	4,023	291	3	2,750	859	62	58
Lard	18,602	11,505	3,486		1,727	968	916
Dairy products	948	82	8	136	181	389	152
Barley	130						130
Corn	1,783			1,783			
Rice	6,588				11	766	5,811
Wheat	16,216	14,544		329	1,343		
Wheat flour	6,400			250	6,046	104	
Oil cake and oil-cake meal	58		54			4	
Fresh vegetables:							
Potatoes	1,233	576		519		102	36
Other	4,356	135		3,614	125	408	74
Canned vegetables:							
Asparagus	964		29	2	600	282	51
Other	476	2	76	16	233	98	51
Grapefruit	1,166	1,148			13	5	
Lemons	249			25		97	127
Oranges	6,756	5,609	2	75		1,070	
Fresh apples	9,246	6,137		401	2,349	311	48
Fresh grapes	1,290		804	53	224	209	
Fresh pears	3,974	3		34	1,102	2,834	1
Raisins	5,877	431	4	2	401	1,947	3,092
Dried apples	1,372	210	18	16	95	303	730
Dried apricots	2,631			4	504	758	1,365
Dried prunes	5,683	748	19	1,470	504	2,067	875
Canned fruits	22,877	2,613	108	444	608	4,850	14,254
Soybeans	489		132			346	11
Leaf tobacco, unmanufactured	2,735				1,969	68	698
Raw cotton and linters	1,057			862	195		
Nonagricultural:							
Salmon, fresh, salted or canned	5,891	231	1	300	4,961	266	132
Sardines, canned	958	4	15	12	43	58	826
Leather	4,333			227	1,260	833	2,013
Automobile tires and tubes	3,108			66	219	576	2,247
Cigarettes	509			142	162	113	92
Cotton cloth	5,383				2,611	1,901	871
Lumber	14,818	15		7,680	2,530	152	4,441
Paper and manufactures	9,173	9	3	415	798	4,852	3,096
Coal	31,331	13,478			100	17,753	
Coke	25					25	
Crude petroleum	1,499					1,499	
Petroleum products:							
Lubricating oils and greases	7,978	1		198	1,061	3,545	3,173
Other	5,038	121	237	204	572	538	3,366
Sulfur	75				75		
Iron and steel mill products	19,787	401	11	593	1,455	11,486	5,841
Aluminum and manufactures	1,344			329		1,000	15
Copper and manufactures	514		8	141	256	48	61
Batteries	370			90	112	72	96
Refrigerators	5,809			286	999	2,382	2,142
Radios and apparatus	6,777			354	445	3,584	2,394
Industrial machinery	51,939	1,129	127	9,289	11,422	25,360	4,612
Office appliances	14,633	386		1,355	3,539	4,817	4,536
Agricultural machinery	5,165	4,594			530	41	
Tractors and parts including agricultural tractors	6,941	1,483		2,110	1,079	498	1,771
Automobiles	67,793		880	7,268	22,059	11,283	26,303
Aircraft and parts	3,402				2,935	403	64
Medicinal and pharmaceutical preparations	3,771	8	1		1,198	355	2,209
Pigments, paints, and varnishes	3,929	513		23	513	673	2,207
Fertilizer and fertilizer materials	167				73		94
Photographic goods	3,471	204	2	539	1,479	881	366

Mr. DOUGLAS. Madam President, among other things, these tables show that of the great increase in exports, the great proportion was to countries which had given us concessions. For example, of the $20 millions of pork products exported in 1939, over $16 millions was exported and gained entry to the other country under concessions which we had gained from them. The same is true of many other items, such as lard, dairy products, barley, corn, rice, wheat, and a long list of fruits. The same is true of tobacco and raw cotton. One also notes that great concessions were made to us on such items of our export trade as refrigerators, radios, iron and steel products, paints, tractors, other agriculture machinery, to note just a few of the items. Thus, Madam President, reciprocity has been a two-way street, and our farms and industries have benefited very greatly under the Reciprocal Trade Agreements Act.

In 1948, as a result of the election of 1946, the Republican 80th Congress was in power. They were afraid to do away with the Reciprocal Trade Agreements Act—that is, they lacked the convictions they were supposed to have, and which they proclaimed they would repeal in party platform after dreary party platform, but they did amend the act. It was in that year that the peril-point provision was written into the bill.

And the peril point has been a serious danger which has distinctly limited the possibilities of reciprocal trade. In 1949 we Democrats repealed the 1948 bill and the peril-point provisions and extended for another 2 years the original act. But in the 1950 election our majority was greatly reduced, the protectionists were stronger, the peril-point provisions were reintroduced, and the restrictions, by means of the escape clause, were made tighter. A less stringent escape clause had been in effect since 1943, when the Executive agreed to include it in all future trade agreements. In 1947 there was an Executive order to that effect. Under it, the United States or a foreign country could break an agreement which seriously injured a domestic industry in either country.

The new escape clause, that which operates today, allows a domestic industry to make application to the Tariff Commission for a finding that it has been seriously injured. If such a finding is made, the President is authorized, though not required, to take action.

As the staff papers of the Randall Commission clearly state:

> No important trade agreement activity took place under either the act as modified by the 80th Congress or under the extension of 1951.

I may add that none has yet taken place since the Eisenhower administration has taken power—that is, in the last 2½ years.

In 1953, President Eisenhower asked for a 1-year extension of the act in existing form, to allow for the Randall Commission study. After exhaustive study, the Commission came up with a watered-down version of the act, in order to gain the adherence of the senior Senator from Colorado [Mr. MILLIKIN], and Representative DAN REED, of New York. I would say that in those negotiations my distinguished colleague from the State of Illinios, Mr. Randall, was a country boy who was taken into camp by the machinations and the adroit ability of the senior Republican members of the committee. He thought he would get their consent if he watered down the provisions. So he watered them down and down and down, in the hope that finally they would sign the report—only to find that at the last minute they scuttled away and disappeared, withdrew their support of the measure, and, instead, came out in opposition to it. After they got it watered down and compromised, Messrs. REED and MILLIKIN refused to go along. The President then recommended a 3-year extension of the new version, which at best had symbolic significance. But somewhere in the dark of the night, the protectionists got to him; and he shifted his ground, and allowed that perhaps 1 year would be all right. So, last year, we got another 1-year extension.

Now we have a new recommendation. We are asked to extend the act for 3 years; but the President's authority to negotiate agreements has been limited to 5 percent a year, in each of 3 years, or a 15 percent maximum, if he uses the authority, instead of the 50 percent allowed at present. If he fails to use the authority on any particular item in any one year, that authority is revoked.

How little this authority actually is, may be seen by taking a few examples. If the existing rate on a commodity were now 50 percent, the authority makes it possible to reduce the rate to 47.5 percent in any one year. If the rate were 25 percent, the maximum authority to reduce it in any one year would make the new rate 23.75 percent. If the rate were 20 percent—about the average of existing rates—the maximum reduction in any one year would be 1 percent, or from 20 percent to 19 percent; and in the next year, from 19 to 18.

Madam President, I may say that the race to get the system under way will be such that only about two reductions can be made, because there is a long, tortuous task along which an agreement has to go before it can finally be approved.

That is why this bill is largely symbolic, except in the case of Japan.

Madam President, rate reductions of these magnitudes are not going to hurt anyone. If an industry cannot adjust to them, it must me a terribly inefficient industry.

Now the President's bill—this watered down, namby-pamby bill—is before us. It is so innocuous that many must search their consciences to determine whether we are voting for protection or for freer trade. The original conception of the Trade Act is in danger. It is in danger for at least three reasons.

The first reason is that last year the President lacked driving force. The 1-year extension gave the protectionists an opportunity to organize; and organize they have. As a result, Congress has been flooded with protection lobbyists—all with their hands out. This protectionist fervor is typical of other periods in our history when the Republicans have controlled Congress or the administration. The President's failure to make a fight last year has brought with it two things: First, we now have an even more watered-down version of the Reciprocal Trade Agreements Act than the 1948 bill, and it was the low-water mark; and second, the protectionists have had an extra year to deluge us and to arouse their forces. Leadership from the White House might have avoided this. I recall the leadership Woodrow Wilson gave in 1913, when the tariff lobby was here en masse. The statement President Wilson made at that time is worth quoting, as an example of how a President can obtain his program. This is what Wilson said in 1913, and it had the salutary effect of scattering the lobbyists and passing the Underwood tariff:

> I think that the public ought to know the extraordinary exertions being made by the lobby in Washington to gain recognition for certain alterations of the tariff bill. Washington has seldom seen so numerous, so industrious, or so insidious a lobby. The newspapers are being filled with paid advertisements calculated to mislead the judgment of not only public men but also the public opinion of the country itself. There is every evidence that money without limit is being spent to sustain this lobby and to create an appearance of a pressure of opinion antagonistic to some of the chief items of the tariff bill.
>
> It is of serious interest to the country that the people at large should have no lobby and be voiceless in these matters, while great bodies of astute men seek to create an artificial opinion and to overcome the interests of the public for their private profit. It is thoroughly worth the while of the people of this country to take knowledge of this matter. Only public opinion can check and destroy it.
>
> The Government in all its branches ought to be relieved from this intolerable burden and this constant interruption to the calm progress of debate. I know that in this I am speaking for the Members of the two Houses who would rejoice as much as I would to be released from this unbearable situation.

That, Madam President, is how a President of the United States can lead in gaining approval of his legislative program. I suggest that Wilson's words are as applicable today as they were in 1913.

The second reason why reciprocity is in trouble is that this year the President has failed to give leadership. How many among his party's representatives in the Senate really have their hearts in reciprocity? Who on that side is leading the fight for freer trade? The answer is that what leadership there has been, has been from us Democrats. The reason is that the Republicans, constitutionally, are against freer trade. The bill has been watered down in committee to meet the objections of the President's own party, whose real views are represented by their vigorous attempts in the past to rid us of reciprocity and by their policies, such as those they proclaimed in their 1936 platform—"We will repeal the present reciprocal trade law."

The third reason why the bill we now have is little more than a token and a symbol of the original act is that a large

number of areas in the United States—144, at least—are now areas of substantial or very substantial labor surplus, where unemployment exceeds 6 percent, 12 percent, and in some cases 20 percent. One will note that in the House the 80-odd Democratic votes against H. R. 1 were, almost entirely, from Representatives from these areas, where the administration has turned a deaf ear to their needs.

In our history the issue of the tariff has created constant division. Protection was in part responsible for the rebellion of the colonists against England, the two-party system, not necessarily a bad thing at all, the division which lead to civil war between South and North, the rise of trusts and monopolies, the bringing on of recessions and depressions, and the lowering of the moral tone of our Government when protectionists were in power.

Furthermore, historically the Republican Party has been the champion of protection, and the Democrats have opposed it.

The debate today and the extension of the Reciprocal Trade Act are another step in our tariff history.

Madam President, I have traced the history of our tariff so that Members may think twice before they vote to include in H. R. 1 any restrictive amendments, before they allow it to be watered down, or before they give in to protectionist pressures—for to do so would put us back once again on the road which in the protectionist periods of the past has led to so many sins.

ARTHUR KROCK'S COMMENTS ON THE HOUSE VOTE ON H. R. 1

Writing in the New York Times on Sunday, February 20, 1955, following the debate in the House on H. R. 1 on the preceding Thursday and Friday, Mr. Arthur Krock, the well-known journalist, presented a most unusual and interesting argument. His article is entitled "When Tariff Is Issue Party Lines Vanish," and it is subtitled "Opponents of President's Trade Plan Include High Percentage of Both Democrats and Republicans."

Mr. Krock says, among other things, in the article, that various votes taken in the House "emphasized how close is the bipartisan division in this country over our economic philosophy." He further states that the program of reciprocity, introduced originally by Cordell Hull and Franklin Roosevelt, carried on under Harry Truman, and now adopted by the Eisenhower administration, albeit in a much watered-down form, "is opposed in industrial areas where unemployment is always either a threat or a fact, in farming areas where domestic and world surpluses are produced, and by rigid doctrinaires of the protective-tariff principle that was the guide of the Republican Party and the American Government for decades in the 19th century, and for 30 years in this one." Further, Mr. Krock concludes with the following words:

Since the project envisaged in this legislation is both favored and opposed by a bipartisan group, no issue of Democrat versus Republican is presented.

Madam President, I ask for unanimous consent to have the full text of Mr. Krock's article printed in the RECORD at this point as a part of my remarks.

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

[From the New York Times of February 20, 1955]

WHEN TARIFF IS ISSUE PARTY LINES VANISH—OPPONENTS OF PRESIDENT'S TRADE PLAN INCLUDE HIGH PERCENTAGE OF BOTH DEMOCRATS AND REPUBLICANS—STATE DELEGATIONS SPLIT

(By Arthur Krock)

WASHINGTON, February 19.—The margin of 1 vote by which, on the crucial test, the House of Representatives (193 to 192) refused to open to emasculating amendments the international tariff bill it adopted Friday emphasized as a generality how close is the bipartisan division in this country over our economic philosophy. But a geographical and intraparty breakdown of the "No" votes, which were cast in favor of opening the bill to crippling modifications, reveals essential details of the dispute over lowering import tariff barriers that are hidden in a mere listing of the totals.

For several reasons the 193–192 vote on the open amendment motion was chosen for this breakdown instead of the 206–199 tally by which the House rejected the proposal to return the bill to committee. But the principal reason is that the commital motion, backed by the high-tariff Republicans, under the leadership of Representative DANIEL A. REED of New York, was an orderly and responsible process. If this had carried, the bill conceivably would have returned to the House with strongly debatable limitations. But if the measure had been opened to indiscriminate amendments it would have gone in rags and tatters to the Senate.

PROCEDURAL ISSUE

The Reed proposal, on which 119 Republicans (80 Democrats joining them) resisted a special plea by the President, was also a test of his leadership, which only 66 Republicans acknowledged. But it had procedural dignity and party history in its favor; the other had neither.

Because of that it is more striking than illuminating to point out, as many have, that a House which cast only 3 votes against giving the President prior approval of a military far-eastern policy involving American lives cast 199 against him on a mere economic issue.

The bill extends for 3 years the President's power to lower most tariffs by 5 percent, and by 50 percent on a few affecting negligible import quantities, without resort to Congress for its approval. It expresses the political-economic philosophy of former Secretary of State Cordell Hull that became the fixed policy of the F. D. Roosevelt and Truman administrations and was adopted by President Eisenhower and his Republican following. The theory behind it is that by lowering the barriers of world trade (1) all nations will have the opportunity to attain a healthy economy, (2) one of the principal causes of wars, both cold and hot, will be eliminated, and (3) trade will be substituted for aid at a saving of many billions annually to the country.

STOUT OPPOSITION SHOWN

The concept is opposed in industrial areas where unemployment is always either a threat or a fact, in farming areas where domestic and world surpluses are produced, and by rigid doctrinaires of the protective tariff principle that was the guide of the Republican Party and the American Government for decades in the 19th century, and for 30 years in this one. A large majority of the members of the National Association of Manufacturers has come to favor the concept, and the same is true of the leaders of many powerful trades unions. But the strength of the opposition still current is very high, as the following circumstances reveal:

President Eisenhower and the Republican House leaders put behind the bill all the political power they could summon, yet 104 Republican Members voted for the emasculating motion. In the name of the Democratic Party and the last 2 Democratic administrations, Speaker SAM RAYBURN, the most influential member of his party in the House, urged Democrats to defeat the motion, but 88 of them voted for it just the same.

The following statistics show the origins of the opposition vote by States and parties, the first figure being the number of party members who joined it, the second being the total membership of their party in the various State delegations:

Democrats. Alabama, 7 of 9; California, 4 of 11; Colorado, 2 of 2; Connecticut, 1 of 1; Georgia, 7 of 10; Idaho, 1 of 1; Illinois, 1 of 12; Indiana, 1 of 2; Kentucky, 2 of 6; Massachusetts, 4 of 7; Mississippi, 4 of 6; Montana, 1 of 1; New Jersey, 2 of 6; New York, 1 of 17; North Carolina, 6 of 11; Ohio, 3 of 6; Oklahoma, 4 of 5; Oregon, 1 of 1; Pennsylvania, 13 of 14; Rhode Island, 2 of 2; South Carolina, 4 of 6; Texas, 7 of 21; Virginia, 3 of 8; West Virginia, 6 of 6; Wisconsin, 1 of 3.

Republicans. California, 10 of 19; Colorado, 1 of 2; Connecticut, 4 of 5; Illinois, 6 of 13; Indiana, 3 of 9; Iowa, 2 of 8; Kansas, 4 of 6; Maine, 3 of 3; Maryland, 2 of 3; Massachusetts, 3 of 7; Michigan, 6 of 11; Minnesota, 3 of 4; Missouri, 1 of 2; New Jersey, 5 of 8; New York, 10 of 26; North Carolina, 1 of 1; North Dakota, 1 of 2; Ohio, 10 of 17, Oklahoma, 1 of 1; Oregon, 2 of 3; Pennsylvania, 12 of 16; South Dakota, 1 of 2; Tennessee, 2 of 2; Utah, 2 of 2; Virginia, 1 of 2; Washington, 2 of 6; Wyoming, 1 of 1.

SCOPE OF OPPOSITION

In combination, these tables show that the bipartisan opposition to the President's program not only was nationwide in scope but in a number of State delegations comprised all, or the majority, in a strong percentage. In Alabama, for example, a State unflinchingly loyal to the Democratic Presidents whose policy was extended in this legislation, 7 of the 9 Representatives belonging to that party voted for the crippling motion. The entire Maine delegation, all Republican, was in the same corner. In California all but 9 Republicans left the President, and 4 of the 11 Democrats turned down the intense appeal made by RAYBURN. In Pennsylvania all but 1 Democrat and 12 of the 16 Republicans left the party fold. And so on, in the delegations from States which have an over-whelming majority of the electoral vote of the Nation.

The only State delegations which made no contributions to the opposition were Nebraska, Nevada, New Hampshire, New Mexico, Arizona, Arkansas, Delaware, Florida, and Louisiana. The total number of Presidential electors in this group is 52. The rest of the country has 479 of the 531 electors whose majority of 266 formally decrees who is to be President.

The statistics with respect to electors are significant only because they illustrate the national dimensions of the difference over foreign economic policy and its active presence in the large, populous States and the principal areas of production. Since the project envisaged in this legislation is both favored and opposed by a bipartisan group, no issue of Democrat versus Republican is presented. And, though the bill is an item in the President's program, the most effective advocate it had in the House was the Democratic Speaker.

Mr. DOUGLAS. Madam President, because I found in this article a large number of points which I felt could not be substantiated by a closer look at the facts, I have made an analysis of the vote in the House of Representatives on the decisive issues in the H. R. 1 debate, and I have further obtained from the Library of Congress the decisive rollcalls on all the major tariff acts passed by the Congress since 1861. I have done this for a number of reasons; first, although I was not surprised to see that Mr. Krock states that the protective tariff was the guiding principle of the Republican Party for decades in the 19th century, I was surprised to see his suggestion that the protective-tariff principle has been its guide for only the first 30 years of this century and that recently the leopard had changed its spots. Secondly, I was surprised at the headline which read that, when the tariff is an issue, party lines vanish, and by the concluding statement that "no issue of Democrat versus Republican is presented" by the vote on this debate.

How, as a matter of fact, have the Republicans voted on tariff bills? Madam President, I have a summary of the votes taken on major tariff legislation since the Civil War, and I ask unanimous consent to have it inserted in the RECORD at this point.

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

VOTES ON MAJOR TARIFF LEGISLATION SINCE THE CIVIL WAR

(Unless otherwise indicated, votes are on passage of the bill)

MORRILL TARIFF ACT OF MARCH 2, 1861

H. R. 338, 36th Congress, 2d session. (12 Stat. 178).

House (CONGRESSIONAL GLOBE, 36th Cong., 1st sess. (1860), 2056):

Yeas 105 (84 Republican, 7 Democrat, 1 Douglas Democrat, 1 National American, 5 Whig, 2 Unionist, 5 American).

Nays 64 (53 Democrat, 2 Republican, 1 Independent Democrat, 4 States Rights Democrat, 1 Anti-Lecompton Democrat, 2 Whig, 1 American).

Senate (CONGRESSIONAL GLOBE, 36th Cong., 2d sess. (1861), 1065):

Yeas 25 (20 Republican, 1 Democrat, 2 Whig, 1 Free Soil, 1 Free Soil-Democrat-American).

Nays 14 (13 Democrat, 1 Whig).

NOTE.—Restored rates of 1846.

MORRILL TARIFF ACT OF JULY 30, 1864

H. R. 494, 38th Congress, 1st session. (13 Stat. 202).

House (CONGRESSIONAL GLOBE, 38th Cong., 1st sess. (1864), 2751):

Yeas 82 (64 Republican, 8 Democrat, 3 Emancipationist, 1 Unconditional Union, 2 Unionist, 1 Union Democrat, 2 Whig, 1 Independent Republican).

Nays 26 (21 Democrat, 1 Whig, 2 Union Democrat, 1 Constitutional-Union, 1 Unionist).

Senate (CONGRESSIONAL GLOBE, 38th Cong., 1st sess. (1864), 3053).

Yeas 22 (16 Republican, 1 Democrat, 1 Whig, 1 Free Soil, 1 Union Republican, 1 Unionist, 1 Free Soil-Democrat-American).

Nays 5 (5 Democrat).

M'KINLEY TARIFF ACT OF OCTOBER 1, 1890

H. R. 9416, 51st Congress, 1st session (26 Stat. 567).

House (21 CONGRESSIONAL RECORD 5113):

Yeas 164 (163 Republican, 1 Democrat).

Nays 142 (140 Democrat, 1 Republican, 1 Union Laborite).

Senate (21 CONGRESSIONAL RECORD 9943):

Yeas 40 (40 Republican).

Nays 29 (29 Democrat).

NOTE.—Increase.

GORMAN-WILSON TARIFF ACT OF AUGUST 27, 1894

H. R. 4864, 53d Congress, 2d session (28 Stat. 509).

House (26 CONGRESSIONAL RECORD 1796):

Yeas 204 (195 Democrat, 6 Prohibitionist, 1 Populist Democrat, 1 Populist, 1 Independent).

Nays 140 (122 Republican, 17 Democrat, 1 Silver).

Senate (26 CONGRESSIONAL RECORD 7136):

Yeas 39 (37 Democrat, 1 Prohibitionist, 1 Independent).

Nays 34 (32 Republican, 1 Democrat, 1 People's).

NOTE.—Reduction. Democrats in control of House. Cleveland did not sign but allowed it to become a law.

DINGLEY TARIFF ACT OF JULY 24, 1897

H. R. 397, 55th Congress, 1st session (30 Stat. 151).

House (30 CONGRESSIONAL RECORD 557):

Yeas 205 (199 Republican, 5 Democrat, 1 Populist).

Nays 122 (112 Democrat, 6 Fusion, 3 Populist, 1 People's).

"Present" 21 (3 Democrat, 2 Republican, 9 Populist, 5 Fusion, 2 Silver Democrat).

Senate (30 CONGRESSIONAL RECORD 2447):

Yeas 38 (36 Republican, 1 Democrat, 1 Silver).

Nays 28 (25 Democrat, 2 Populist, 1 Republican).

NOTE.—Under McKinley. Increase.

PAYNE-ALDRICH TARIFF ACT OF AUGUST 5, 1909

H. R. 1438, 61st Congress, 1st session (36 Stat. 11).

On passage:

House (44 CONGRESSIONAL RECORD 1301):

Yeas 217 (213 Republican, 4 Democrat).

Nays 161 (160 Democrat, 1 Republican).

"Present" 1 (1 Democrat).

Senate (44 CONGRESSIONAL RECORD 4316):

Yeas 45 (44 Republican, 1 Democrat).

Nays 34 (24 Democrat, 10 Republican).

On agreeing to the conference report:

House (44 CONGRESSIONAL RECORD 4755):

Yeas 195 (193 Republican, 2 Democrat).

Nays 183 (163 Democrat, 20 Republican).

Senate (44 CONGRESSIONAL RECORD 4949):

Yeas 47 (47 Republican).

Nays 31 (24 Democrat, 7 Republican).

NOTE.—Increase.

UNDERWOOD-SIMMONS TARIFF ACT OF OCTOBER 3, 1913

H. R. 3321, 63d Congress, 1st session (38 Stat. 114).

On passage:

House (50 CONGRESSIONAL RECORD 1386–1387):

Yeas 281 (274 Democrat, 3 Republican, 1 Progressive, 1 Independent, 2 Progressive Republican).

Nays 139 (122 Republican, 5 Democrat, 7 Progressive, 5 Progressive Republican).

"Present" 1 (1 Progressive Republican).

Senate (50 CONGRESSIONAL RECORD 4617):

Yeas 44 (42 Democrat, 1 Republican, 1 Progressive Republican).

Nays 37 (35 Republican, 2 Democrat).

On agreeing to the conference report:

House (50 CONGRESSIONAL RECORD 5274):

Yeas 255 (249 Democrat, 3 Republican, 1 Independent, 1 Progressive, 1 Progressive Republican).

Nays 104 (90 Republican, 4 Democrat, 7 Progressive, 3 Progressive Republican).

"Present" 3 (1 Democrat, 1 Republican, 1 Progressive Republican).

Senate (50 CONGRESSIONAL RECORD 5347):

Yeas 36 (34 Democrat, 1 Progressive Republican, 1 Republican).

Nays 17 (15 Republican, 2 Democrat).

NOTE.—Democratic majority. Reduction.

FORDNEY-M'CUMBER TARIFF ACT OF SEPTEMBER 21, 1922

H. R. 7456, 67th Congress, 2d session (42 Stat. 858).

House (61 CONGRESSIONAL RECORD 4197):

Yeas 228 (220 Republican, 7 Democrat, 1 Progressive Republican).

Nays 127 (119 Democrat, 7 Republican, 1 Socialist).

"Present" 1 (1 Republican).

Senate (62 CONGRESSIONAL RECORD 11627):

Yeas 48 (45 Republican, 3 Democrat).

Nays 25 (24 Democrat, 1 Republican).

SMOOT-HAWLEY TARIFF ("FRIENDLY TARIFF") ACT OF JUNE 17, 1930

H. R. 2667, 71st Congress, 2d session (46 Stat. 590).

House (71 CONGRESSIONAL RECORD 2106):

Yeas 264 (244 Republican, 20 Democrat).

Nays 147 (134 Democrat, 12 Republican, 1 Farmer-Labor).

"Present" 2 (2 Republican).

Senate (72 CONGRESSIONAL RECORD 6015):

Yeas 53 (46 Republican, 7 Democrat).

Nays 31 (26 Democrat, 5 Republican).

RECIPROCAL TRADE AGREEMENTS ACT, JUNE 12, 1934

H. R. 8687, 73d Congress, 2d session (48 Stat. 943).

House:

Yeas 274 (269 Democrat, 2 Republican, 3 Farmer-Labor).

Nays 111 (99 Republican, 11 Democrat, 1 Farmer-Labor).

Senate:

Yeas 57 (51 Democrat, 3 Republican, 3 other).

Nays 33 (28 Republican, 5 Democrat).

RECIPROCAL TRADE AGREEMENT EXTENSION ACTS

March 1, 1937

House Joint Resolution 96, 75th Congress, 1st session (50 Stat. 24).

House:

Yeas 285 (278 Democrat, 3 Republican, 3 Farmer-Labor, 1 Progressive).

Nays 101 (81 Republican, 11 Democrat, 7 Progressive, 2 Farmer-Labor).

Senate:

Yeas 58 (56 Democrat, 1 Independent, 1 Progressive).

Nays 24 (14 Republican, 9 Democrat, 1 Farmer-Labor).

April 12, 1940

House Joint Resolution 407, 76th Congress, 3d session (54 Stat. 107).

House:

Yeas 218 (212 Democrat, 5 Republican, 1 American Labor).

Nays 168 (146 Republican, 20 Democrat, 1 Farmer-Labor, 1 Progressive).

Senate:

Yeas 42 (41 Democrat, 1 Independent).

Nays 37 (20 Republican, 15 Democrat, 2 Farmer-Labor).

June 7, 1943

House Joint Resolution 111, 78th Congress, 1st session (57 Stat. 125).

House:

Yeas 343 (194 Democrat, 147 Republican, 1 Progressive, 1 American Labor).

Nays 65 (52 Republican, 11 Democrat, 1 Progressive, 1 Farmer-Labor).

Senate:

Yeas 59 (41 Democrat, 18 Republican).

Nays 23 (14 Republican, 8 Democrat, 1 Progressive).

July 7, 1945

H. R. 3240, 70th Congress, 1st session (59 Stat. 410).

House:

Yeas 239 (205 Democrat, 33 Republican, 1 American Labor).

Nays 153 (140 Republican, 12 Democrat, 1 American Labor).

Senate:

Yeas 54 (38 Democrat, 15 Republican, 1 Progressive).

Nays 21 (16 Republican, 5 Democrat).

June 26, 1948

H. R. 6556, 80th Congress, 2d session (62 Stat. 1053, sec. 2).

House:

Yeas 234 (218 Republican, 16 Democrat).

Nays 149 (142 Democrat, 5 Republican, 2 American Labor).

Senate:

Yeas 70 (47 Republican, 23 Democrat).

Nays 18 (17 Democrat, 1 Republican).

NOTE.—Bill included restrictive peril-point provision.

September 27, 1949

H. R. 1211, 81st Congress, 1st session (63 Stat. 698).

House:

Yeas 319 (234 Democrat, 84 Republican, 1 American Labor).

Nays 69 (63 Republican, 6 Democrat).

Senate:

Yeas 61 (47 Democrat, 14 Republican).

Nays 20 (19 Republican, 1 Democrat).

NOTE.—Repealed 1948 version and eliminated peril point.

June 16, 1951

H. R. 1612, 82d Congress, 1st session (65 Stat. 72).

House:

No rollcall vote taken on passage or conference report.

Senate:

Yeas 72 (38 Democrat, 34 Republican).

Nays 2 (2 Republican).

NOTE.—Reintroduced peril-point and introduced escape-clause provision.

August 7, 1953

H. R. 5495, 83d Congress, 1st session (67 Stat. 472).

House:

Yeas 363 (183 Democrat, 179 Republican, 1 Independent).

Nays 34 (25 Republican, 9 Democrat).

NOTE.—1-year extension to provide commission study.

Senate:

No rollcall vote taken on passage or conference report.

July 1, 1954

H. R. 9474, 83d Congress, 2d session (68 Stat. 360).

House:

Yeas 281 (154 Democrat, 126 Republican, 1 Independent).

Nays 53 (39 Republican, 14 Democrat).

Senate:

Yeas 71 (37 Republican, 34 Democrat).

Nays 3 (2 Republican, 1 Democrat).

NOTE.—1-year extension only.

Mr. DOUGLAS. Madam President, this summary shows the vote by party on the major bills and decisive rollcalls from 1861 to the 1954 extension of the Reciprocal Trade Agreements Act. I invite my colleagues and readers of the RECORD, to study this summary, and to see how the vote went. It shows that, until recently, Republicans were almost unanimous in favor of protection, against freer trade, and against reciprocity. Democrats were overwhelmingly for freer trade, for reciprocity, and for lower tariffs.

I think it is fair to conclude from this documentation that the Republicans were certainly the party of high tariff and extreme protection to the 1930's. I think it is also fair to conclude that the overwhelming majority of the votes against passage of the Reciprocal Trade Act in 1934, and extension of that act in 1937, 1940, 1943, and 1945 came from the Republican Party, and hence continued their protectionist policy. In 1948 the decisive rollcall was the vote on the bill which included the peril point provision. These, of course, were supported by the Republicans and opposed by the Democrats, but as the Republicans had the majority in that year, the act was extended with these protectionist amendments. I think it is fair to conclude, therefore, that in that year, the Republican vote for passage was in fact a protectionist vote. In 1949 we Democrats repealed the 1948 extension, and again a very overwhelming majority of votes against extension were from the Republican side.

In 1953 and 1954, as well as this year, this act has been watered down to such an extent that its extension has largely become merely symbolic, with the exception of its application to Japan. So I think that we can conclude that Mr. Krock's thesis, in intimating that somehow the Republicans have lost their protectionist fervor—or fever—since the 1930's, is not borne out by the decisive rollcall on the passage and extension of the Reciprocal Trade Agreements Act. Certainly this was true through 1945, and it appears only less true since that time owing to the indecisive nature of the issues on which votes have been cast.

Now, Madam President, let us turn for a moment to the vote in the House on the extension of H. R. 1 this year. I have made a tabulation of the five votes in the House on H. R. 1, and I ask unanimous consent that the table be inserted in my remarks at this point.

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

Decisive rollcalls on H. R. 1 in the House of Representatives, Feb. 17–18, 1955

Motion	Effect of vote for H. R. 1				Effect of vote against H. R. 1			
	Democrats		Republicans		Democrats		Republicans	
	Number	Percent [1]	Number	Percent [1]	Number	Percent [1]	Number	Percent [1]
1. Previous question would close debate. Lost, 207 to 178	115	53.5	63	37	100	46.5	107	63
2. Brown amendment against closed rule. Lost, 193 to 191	134	62.7	59	34.7	80	37.3	111	65.3
3. Motion to limit debate and avoid emasculating amendments. Carried, 193 to 192	128	59.3	65	38.5	88	40.7	104	61.5
4. Reed amendment, return bill to committee. Lost, 206 to 199	140	63.6	66	35.6	80	36.4	119	64.4
5. Final passage. Carried, 295 to 110	186	84	109	60	35	16	75	40

[1] Percent is that of party members voting.

Mr. DOUGLAS. First of all, Madam President, the House Ways and Means Committee offered a resolution for a closed rule. The first decisive vote in the House was taken on the previous question to limit debate on this resolution. That motion lost 207 to 178. 115 Democrats and 63 Republicans voted "yea" on the previous question, 100 Democrats and 107 Republicans voted "nay." To give percentage figures, the Democrats voted 53.5 percent in favor and 46.5 percent against, while the Republicans split 37 percent for and 63 percent against. Because this vote carried with it more issues than that of protection and antiprotection, it is not clear that the yeas and nays divided along those lines. A great many Democrats voted against it because they were opposed to a closed rule, which did not permit substantive amendments. It is interesting to note, however, that two-thirds of the Republicans voted against limiting debate, which had the effect of keeping alive their hopes that they might later present emasculating amendments.

The second rollcall vote was on an amendment by Mr. BROWN of Ohio, which was lost 193 to 191. It was for the purpose of striking out the closed rule provision of the original resolution. Its passage, Madam President, would have given new hope to the protectionists. On this vote, a vote for was for protection and a vote against was for H. R. 1, except that a few, such as Representative DANIEL REED, the leader of the protectionists in the House, voted against the Brown amendment for procedural reasons rather than for reasons of conscience.

What was the party vote on this issue as it divided along protection and antiprotection lines? The Democrats voted 134 to 80 against the Brown amendment or in support of H. R. 1. The Republicans voted 111 to 59 for the Brown amendment or against H. R. 1. In other words, 63 percent of the Democrats voted in favor of H. R. 1, while only 35 percent of the Republicans voted in favor of H. R. 1, and 65 percent of the Republicans, or two-thirds, and 37 percent of the Democrats, or one-third, essentially cast their ballots against H. R. 1. That shows, therefore, quite a clear-cut issue of Democrat versus Republican, Mr. Krock notwithstanding, in this vote on which two-thirds of the Democrats supported the President, while he was able to muster only one-third of those voting from his own party.

The third decisive roll call, Madam President, on the motion to close debate and avoid opening the bill to emasculating amendments, upon which Mr. Krock bases his major conclusions, was passed 193 to 192. If this motion had been lost it would have allowed each of the protectionist groups, who have been flooding Congress with their selfish demands since the beginning of this session, to offer emasculating amendments for its pet industry. It is from this vote that Mr. Krock deduces that when the tariff is an

issue party lines vanish, and that no issue of Democrat versus Republican is presented.

How did the vote split on party lines on this motion which, had it been defeated, would have allowed a repetition of the log-rolling days of the past? One hundred and twenty-eight Democrats and 65 Republicans voted for the motion, or for H. R. 1, while 104 Republicans and 88 Democrats voted against the motion, or against H. R. 1. Thirty-eight Republicans failed to vote, while only 15 Democrats failed to vote on this issue. Sixty percent of the Democrats and 38 percent of the Republicans supported H. R. 1, while only 40 percent of the Democrats and 62 percent of the Republicans voted to allow emasculating amendments. Again the vote showed the Democrats supporting the bill by a percentage of 60–40, whereas the Republicans opposed the bill by a similar percentage.

A fourth major vote in the House was on the Reed amendment, which would have returned the bill to committee. The division was 206–199. On this vote, 140 Democrats and only 66 Republicans voted against the Reed amendment, or in favor of H. R. 1, while 119 Republicans and 80 Democrats voted for the Reed amendment, or against the passage of H. R. 1 in its original form. In other words, approximately 64 percent of the Democrats and only 35 percent of the Republicans voted for H. R. 1, whereas 65 percent of the Republicans and 36 percent of the Democrats voted against. In this vote, as in the other major decisive votes, we saw the Democrats supporting the President's policy by two-thirds to one-third, and the Republican Party, even after the President's letter to gain support in the House, and even following the excellent speech of the gentleman from Texas [Mr. RAYBURN], could muster only one-third of those voting in support of the President's own program, whereas two-thirds voted against freer trade, H. R. 1, and the President's wishes.

On final passage, by a vote of 295 to 110, 186 Democrats and 109 Republicans supported H. R. 1, whereas 75 Republicans and 35 Democrats voted against. In other words, on final passage 84 percent of the Democrats and only 60 percent of the Republicans supported the President, and 40 percent of the Republicans and only 16 percent of the Democrats opposed.

I fail to see, Madam President, how one can deduce from these votes that party lines vanish on this issue or that no issue of Democrats versus Republicans is presented. In support of his conclusions Mr. Krock lists the origin of the opposition vote on the 193 to 192 vote. He gives it by a breakdown by geography and party. One will note from the breakdown that almost all of the Democratic votes against H. R. 1 were from representatives from the 144 areas of our country which are now classed as areas of substantial or very substantial labor surplus by the Bureau of Employment Security. This is certainly true of the votes of West Virginia, Virginia, of Rhode Island, and Pennsylvania, of Oklahoma, North Carolina, New York, New Jersey, Missouri, Massachusetts, Kentucky, southern Illinois, Georgia, Connecticut, and Alabama. It is in these areas with coal, textiles, some durable goods industries, railroad shops, chemicals, lead and zinc mining, and the ordnance works that have suffered severe distress since the present Republican administration came to power. Time after time, in the debate in the House, Members rose to say that they were unable to support H. R. 1 because of the mass unemployment in their districts. Representative STAGGERS, of West Virginia, complained that he was opposed to the closed rule because the President and "those who advocated it have not come forward with one proposal to help the distressed areas of the United States." The same was true of Representative GRAY of southern Illinois where conditions are now not unlike those of the early 1930's. Mr. GRAY, who supports the basic principles of H. R. 1, was unable to support the bill because his area is now classified IV-B by the Department of Labor, because there are 30,000 people unemployed and over 24,000 people who are now receiving surplus food from the Federal Government. His area is a coal mining area, where, like so many others, the administration has turned a deaf ear to the pleadings of their representatives. And at the same time, they have charged that others who inquire about these conditions and bring them to the attention of the administration, are "prophets of gloom and doom."

In fact, a careful tabulation of the Democrat vote against H. R. 1 in the House — the eighty-odd votes — shows that in almost every case those Representatives are from the areas labeled IV-A or IV-B by the Department of Labor.

Why should they be expected to fight for the President's program which he was reluctant to fight for himself? Why should they vote for his act, watered-down as it is, when he has largely turned a cold shoulder to the problems and interests of their districts? Why should they help him when they watch and see the Speaker of the House of Representatives work with might and main to save the President's bill—and that bill could not have been saved without the work of the beloved Speaker of the House, SAM RAYBURN, of Texas—only to be charged the next week with "fiscal irresponsibility," and accused of being "demagogic" and of sponsoring a "strictly phony" tax measure, in the chaste words of the Secretary of the Treasury? Is that any way to treat a brave and loyal ally to whom one owes victory in the tariff struggle? In all kindness, that is hardly the way one should behave in war, in politics, or in business or social life.

And we of the Democratic Party, whose individual and collective good names have been attacked by the very administration leaders who now depend upon us for the passage of their weak and watered-down bill—what are we expected to do?

We could hardly be blamed if we yielded to the natural human impulse to let them stew in their own juice. But I do not intend to do so, and I do not believe that the members of my party will do so. I am going to put the interests of the country first and vote for this bill, although I think it has been so weakened that its chief value is symbolic, except for its value to negotiate with Japan.

As I think of the recent conversion of some Republicans to the cause of very limited freer trade bound around with crippling restrictions, I am reminded of our Saviour's story of the Prodigal Son, who left his father's house, wallowed in sin, lost his money, his reputation, and his character. Then when he was down in the very gutter, feeding with lowly animals and indeed sleeping with them, he repented and came back to his father's house. Now we of the Democratic Party as elder brothers would have been glad to receive the erstwhile sinners graciously, to give them a bath, furnish them with clean raiment, put a ring on their finger, and give them a full meal. But it would have been becoming had they, like the Prodigal of old, had said, "Father, I have sinned against Heaven and in Thy sight, and am no longer worthy to be called Thy son. Make me as one of Thy humble servants."

But unfortunately no such repentence has occurred. Instead the newcomers espouse only a partial and a limited virtue, yet demand that they shall be regarded as the long-time practitioners of the good and heap abuse upon their elder brothers who remained faithful during the years of strain, and upon whom the new converts really lean for protection and support. I suggest that our friends should read a new Emily Post on political etiquette and good manners.

Madam President, I ask unanimous consent that the amendments which I have prepared to the bill be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

EXHIBIT 1

ABRAHAM LINCOLN ON THE TARIFF: A MYTH

Those who have followed the campaign literature on the tariff during recent years will have become familiar with a phrase attributed to Abraham Lincoln. The following version is taken from Curtiss's Industrial Development of Nations (1912), a pretentious three-volume publication, in which are collected indiscriminately all sorts of protectionist arguments. Under a portrait of Lincoln this is printed:

"I do not know much about the tariff, but I know this much, when we buy manufactured goods abroad, we get the goods and the foreigner gets the money. When we buy the manufactured goods at home, we get both the goods and the money." [1]

[1] Vol. iii, p. 6. Elsewhere in the book the version is in somewhat different form: "Abraham Lincoln said: 'When an American paid $20 for steel rails to an English manufacturer, America had the steel and England had the $20. But when he paid $20 for the steel to an American manufacturer, America had both the steel and the $20.'" Ibid., vol. ii, p. 471.—This obviously is an anachronism, since such a thing as a steel rail was unknown in Lincoln's time.

No reference is given by Curtiss to Lincoln's writings; nor is such a reference given in any place where I have found the phrase quoted. A careful examination of the various editions of Lincoln's published works brings to light nothing that remotely resembles it. There is nothing in either of the two editions of his writings put together by Nicolay and Hay, nor is there anything in the so-called Federal edition. Nicolay and Hay's Life yields nothing of the sort, nor any of the biographies. So with Lincoln's speeches in Congress and his messages to Congress. There is no lack, to be sure, of references to the tariff by Lincoln. He began his political career as a Whig, and remained a protectionist; though during the decade preceding the war his political insight led him to put it aside as an issue on which to appeal to the people. Those who are interested in the history of the tariff controversy may find it worth while to turn to some notes of his, written in 1846–47, containing a sketch of an address on the tariff. Here the main thought is that labor given to transporting a commodity from foreign countries is wasted, if the commodity can be produced within the country with as little labor as elsewhere.[2] This may be an echo of some of Carey's well-known utterances; and it could be made the text for some explanation of the principle of comparative cost. A passage of a similar sort is in an address made at Pittsburgh in 1861, indicating that Lincoln had kept this particular turn of reasoning in mind. But there is not the slightest suggestion of the much-quoted phrase.

Now, what is the history of the phrase?

The very first mention which we have found[3] is in 1894, in the American Economist, a weekly protectionist sheet published in New York. In that periodical for June 29, 1894, the following is given as having been copied from the Independent of Howard, Ill., of June 9, 1894:

"Lincoln's first speech on the tariff question was short and to the point. He said he did not pretend to be learned in political economy, but he thought that he knew enough to know that 'when an American paid $20 for steel to an English manufacturer, America had the steel and England had the $20. But when he paid $20 for the steel to an American manufacturer, America had both the steel and the $20.'"

In a later issue (October 26) of the American Economist of that same year, it is stated that another newspaper, the Peoria Journal, protested that the goods and money speech was made at Kewanee; while still another newspaper, the Chicago Record, pointed out that this version was not at all in accord with Herndon's report of Lincoln's first speech.[4]

That the phrase was not current before 1894, at least in its attribution to Lincoln, and probably was not known at all, is indicated by its absence from those collections of opinions of the fathers which form a familiar part of the protectionist stock in trade. It is not to be found in Stebbins' American Protectionist's Manual (1883); though Lincoln is there mentioned as being in favor of a high protective tariff. Nor is it in a tract published in 1892 by the American Iron & Steel Association, under the title The Testimony of the Fathers. The tract contains a choice collection of excerpts from the utterances of Hamilton, Jefferson, Calhoun, Webster, Clay, even Fillmore, and Buchanan; but not a word from Lincoln. Nor is it used with any frequency for some years after its first appearance in 1894. But after 1900 it turns up repeatedly in the file of the American Economist: in 1901, in 1905, twice in 1906, again in 1908.[5] After the very first appearance, the commodity mentioned seems to be invariably rails, sometimes iron rails, sometimes steel rails. Usually, a newspaper is quoted as having used the phrase or reported its use. Thus, in 1905, the following is quoted from the Worcester Telegram:

"Senator Scott, of West Virginia, is scored in some places for quoting President Lincoln in support of the policy of standing pat on the tariff issue, and some of the critics appear to doubt that Lincoln ever used the words attributed to him. The words at least are good enough to have been used by the war President. Senator Scott says: 'President Lincoln once remarked that if we gave $30 a ton for iron rails made in this country we would have both the rails and the money, but if we bought them in England the rails only would be ours, while the Britishers would get the cash.' * * * Neither does it matter * * * whether the rails * * * are iron of the days of Lincoln or the steel of today."

In 1908, again, the then Secretary of the Treasury, Leslie M. Shaw, is quoted in the Economist as having used the quotation in a Boston speech.

The first appearance for express campaign use appears to be in 1904. The phrase is to be found in the Republican Campaign Book of that year. In earlier campaign books, for 1892, 1896, 1900, it does not appear; although in that of 1896 Lincoln is cited as an advocate of protection. Evidently the phrase was not widely known during these earlier years. In the campaign book of 1904, there is an extended quotation from Lincoln's tariff notes of 1846–47 (referred to a moment ago) and then at the close we find:

"On another occasion Mr. Lincoln [is quoted][6] as saying: 'I am not posted on the tariff, but I know that if I give my wife $20 to buy a cloak and she buys one made in free-trade England, we have the cloak, but England has the $20; while if she buys a cloak made in the protected United States, we have the cloak and the $20.'"

Here, it will be observed, "a cloak" appears. In a speech by McCleary, of Minnesota, in the House of Representatives, April 22, 1904,[7] "a dress" and "my wife" appear, with the same sum of $20. It may be that the campaign book version of 1904 was taken from McCleary's speech.

In 1910 the phrase appears conspicuously in a booklet entitled "Story of a Tariff," published by the American Protective Tariff League—the organization which publishes the American Economist also. This booklet lauds the tariff of 1909 as the best tariff bill (sic) the Republican Party ever passed, and gives a quantity of extracts from speeches on that measure. On the inside cover page there is printed, in large type, Lincoln's tariff creed, in these words:

"Secretary Stanton once asked Abraham Lincoln what he thought of a protective tariff. Mr. Lincoln replied: 'I don't know much about the tariff, but I do know that if my wife buys her cloak in America, we get the money and the cloak, and that American labor is paid for producing it; if she buys her cloak abroad, we get only the cloak, the other country gets the money, and foreign labor receives the benefit.'"

It will be observed that this is somewhat enriched. American labor and foreign labor are smuggled in; and not only is the wife introduced, but Secretary Stanton also.[8]

Not the least interesting episode in the history of the phrase is its voyage across the water and subsequent return to the United States. In 1908, the American Economist reports that a London correspondent has written:

"An interesting development has been the appeal to Abraham Lincoln * * * as the final authority in an English fiscal controversy. * * * A number of Unionist papers closed the controversy simultaneously by quoting the following extract from a speech made by Lincoln shortly before his death: 'The problem seems to me a simple one. If we adopt free trade it means that we import our goods, in which case the foreigner will have our money and the work, and we his goods. If, however, we adopt a system of protection, or a system of safeguarding our industries and our working classes, thereby manufacturing the good ourselves, the result will be that we shall have the goods, the money, and the employment.'"

It will be observed that here Lincoln is supposed to have made the remark shortly before his death; whereas on its emergence it was supposed to have been made in his first speech.

Very recently the English tariff reformers have utilized it again. They distributed (apparently in the course of 1913) a post card bearing within an ornamental scroll the following printed text:

"I do not know much about the tariff, but I do know this much: when we buy goods abroad, we get the goods, and the foreigner gets the money; when we buy goods made at home, we get both the goods and the money."—Abraham Lincoln.

This naturally led to attack by freetraders in the columns of the Manchester Guardian. The Guardian in turn made its way to this country, and thereupon our loyal protectionists were led to retort that this shallow newspaper "in an unguarded moment recently allowed its finespun theory of free trade to

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[2] Lincoln's Complete Works (2 vol. edition), vol. 1, p. 90. Cf. p. 679 for the Pittsburgh address.

[3] I say "we," because in the endeavor to trace the phrase to its origin I have had invaluable assistance from Mr. D. M. Matteson, well-known for his thoroughness in research on problems of American history.

[4] Mr. Matteson reports that Howard appeared on the maps until about 1902; since then a village at the same spot, a mere junction point, apparently, is named Lotus on the map. It is in the northwest corner of Champaign County, 40 miles from Lincoln's early home at New Salem. Mr. Matteson adds: "I am forced to the conclusion that the Howard Independent is a myth, or at least a misprint. The postmaster at Lotus writes me that no paper has ever been printed there; and there is no other town in Illinois, so far as I have been able to discover, with which the name Howard is associated. No Howard Independent was published elsewhere in the United States, according to the newspaper directories of 1891, 1894–95, and the last issue."

[5] May 10, 1901; June 9, 1905; February 16 and December 21, 1906; December 18, 1908; December 23, 1910. The set of the American Economist in the Harvard Library is not complete; there may be other references in the missing numbers.

[6] Brackets are mine. The guarded way in which the passage is used would seem to indicate suspicion. It does not appear in the Republican Campaign Handbook of 1908 and of 1912.

[7] CONGRESSIONAL RECORD, 58 Cong. 2d sess. Appendix, p. 246.

[8] In response to an inquiry, Mr. W. F. Wakeman, secretary of the American Protective Tariff League, wrote me on June 28, 1914: "About 5 years ago I took up this subject of what Lincoln really did say on the tariff question and found that the extract as printed is correct. I consulted the family and every possible authority. I will try to run over the original correspondence shortly and give you additional information if desired." But the information, though asked for, has not been supplied. Mr. Wakeman was secretary of the league in 1894, and has been so ever since, except in 1900–1901, when he was appraiser in New York.

come into direct conflict with the protectionist commonsense of Abraham Lincoln."[9]

Finally, the phrase has descended to base uses indeed. In recent issues of New York newspapers, a brand of shoes is advertised as "made from American materials, with home labor and by home capital," and then follows the precise passage quoted a moment ago from the Story of a Tariff of 1910, with the interpolations about American labor and foreign labor, and the reference to Secretary Stanton. The advertisement, however, seems not to have been found advantageous. The advertiser was overwhelmed by a host of inquiries, and made a public reply in which he withdrew behind the shelter of the Protective League and its publications; and he refrained from continuing the advertisement.[10]

It seems certain that the phrase is apocryphal. There is no evidence that Lincoln ever used it. Further seach may show just how it originated. Possibly the claptrap about the "goods and the money" was invented before it was foisted on Lincoln; possibly it was ascribed to him at an earlier date than the first here noted (1894). By dint of repetition it has come to be associated with Lincoln almost as much as the cherry tree is associated with Washington. So crude is the reasoning (if such it can be called), so vulgarly fallacious is the antitheses, that we must hope that it will cease to be invested with the sanction of a venerated name.[11]

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LINCOLN AND THE TARIFF: A SEQUEL

The note which I published in the August issue of this Journal on the tariff phrase attributed to Lincoln (getting "both the goods and the money") has stirred discussion, as is natural with anything that concerns the great President. Some further light upon the origin of the phrase has come in consequence. For most of the information which I am now able to give, I am indebted to Mr. Calvin W. Lewis of Brookline, Mass., who first called attention to some of the clues in contributions to the Boston Transcript signed with a pseudonym, and who has since put at my disposal in the most obliging way the results of his inquiries.

It will be remembered that the earliest appearance of the phrase, so far as Mr. Matteson and myself were able to trace it, was in the American Economist for June 29, 1894, where it was stated to have been copied from the "Howard Independent" of June 9, 1894. The Howard Independent proved a puzzle. Mr. Matteson was able to find no trace of any such newspaper, and concluded that it was "a myth, or at least a misprint." The puzzle was not lessened by the failure of the American Economist to give any explanation. Our note was brought to the attention of the Economist, and some reference has been made in its columns to Lincoln's utterances upon the tariff and to this particular myth; but no attempt was made to verify, or specify further, the source from which the phrase had come. A suspicion could not but arise that the phrase might have been manufactured by the Economist, and that the Howard Independent was a pretense.

That suspicion proves to be quite without foundation. The Howard Independent is not a myth; but, as Mr. Matteson thought possible, it is—a misprint. It appears that there is in Illinois a flourishing town by the name of Harvard, and that a weekly newspaper, the Harvard Independent, has been published there for many years. "Howard Independent" was merely a misprint for "Harvard Independent." Moreover, Mr. Lewis, through correspondence with the present editor of the Harvard Independent, has learned from him that a search in his files brought to light, in the issue of the date stated, June 9, 1894, the identical phrase. It is there, and the American Economist copied it in good faith and with due credit. It is not surprising that the editor of the American Economist, after the lapse of 20 years, should have quite forgotten just how he happened on the phrase, and should now find it as difficult to trace as the rest of us. Any suspicion of fabrication on his part was quite without foundation.

But all this only serves to push the inquiry one step further back. Where did the Harvard Independent get the phrase?

In the works of Robert G. Ingersoll there is an oration upon Lincoln, which bears the date 1894. In it there is a passage[1] which says that Lincoln was "nominated for the legislature and made a speech," and that this speech was in favor of a protective tariff. Ingersoll refers to it shortly after as Lincoln's first speech. After some remarks about the influence of manufactures in "developing the brain" and "giving wings to the imagination," Ingersoll goes on thus:

"It is better for Americans to purchase from Americans, even if the things purchased cost more.

"If we purchase a ton of steel rails from England for $20, then we have the rails and England the money. But if we buy a ton of steel rails from an American for $25, then America has the rails and the money both."

It will be observed that this differs in one significant particular from the phrase attributed to Lincoln. The purchase from the American is supposed to be at a higher price than that from the Englishman—$25 instead of $20; the allegation is that it is more advantageous to buy at home, even at the higher price.

There are other grounds for questioning whether this passage, as it appears in print, was the source of our myth. It is not put by Ingersoll in quotation marks, nor is there any intimation or implication that it is taken from Lincoln. Ingersoll mentions steel rails; if he had wished to imply that the language was Lincoln's, he would hardly have selected an article not known in Lincoln's day. A careless reader might possibly infer this to be a paraphrase or quotation from Lincoln; but only a careless one. More important is the circumstance that internal evidence points to its having been published at a later date than that of the passage in the Harvard Independent (June 1894). Immediately following the two paragraphs just quoted Ingersoll goes on: "Judging from the present universal depression and the recent elections, Lincoln, in his first speech, stood on solid rock and was absolutely right." "Recent elections" must refer to the elections of the autumn of 1894. The elections of 1892 were not favorable for the Republicans, but those of 1894 were. It is the latter only to which Ingersoll could have alluded. The date of the oration in its printed form is clearly later than that of the appearance of the phrase in the Harvard Independent.

Nevertheless, I am disposed to believe that Ingersoll's oration is the fons et origo of the myth. Ingersoll was much in demand as a lecturer and political speaker. For years he orated on the lyceum platform and spoke at political rallies. The oration on Lincoln doubtless was delivered many and many a time before it was put into cold print. The tariff phrase doubtless figured in it, and was likely to stick in the memory of hearers; and it is in this way that the editor of the Harvard Independence probably got hold of it. Hearing it as delivered, with the dramatic emphasis of which Ingersoll was a master, he would not fail to remember it, and at the same time would naturally suppose it to be a quotation from Lincoln, not an epigram of the orator's. The circumstance that the difference in price between English and American rails, which is an important part of Ingersoll's version, does not appear in the Harvard Independent or in other places, is entirely consistent with its having been derived from a vaguely memorized report of spoken words.

In sum, the indications now seem to be that Ingersoll's oration, notwithstanding its having appeared in print at a later date than the first published version of the phrase, is nevertheless its source. It is precisely such as Ingersoll might have invented—epigramatic and fetching. And yet still further search may show that it was derived by Ingersoll himself from some source still more remote. No evidence has been adduced, or is likely to be, that it originated with Lincoln or was ever used by him.

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THE LINCOLN TARIFF MYTH FINALLY DISPOSED OF

In two notes published in this Journal, one in August 1914 entitled "Abraham Lincoln on the Tariff: A Myth," and the other in February 1915 entitled "Lincoln and the Tariff: A Sequel," I presented the results of an inquiry on the origin of a phrase about the tariff ascribed to Lincoln.[1] The phrase appeared in various forms. The familiar one was this: "If we purchase a ton of steel rails from England for $20, then we have the rails and England the money. But if we buy a ton of steel rails from an American for $25, then America has the rails and the money both." My conclusion, after following up various clues, was that the phrase originated with Robert G. Ingersoll. Though it did not appear in Ingersoll's published writings until after the date of first ascription to Lincoln, the evidence indicated that it had been used by Ingersoll in his orations and lyceum speeches in such a way as to lead reporters, quite without design on Ingersoll's part, to attribute it to Lincoln.

Complete confirmation of this surmise has recently come to me through the obliging inquiries of Mr. Edward F. O'Neil, of New York. Endeavors of my own to secure information from members of Ingersoll's family had been fruitless. Mr. O'Neil, however,

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[9] See the Textile Record (Boston), July 1913. I have been able to secure little information about the British episode. The literary secretary of the Tariff Reform League writes me: "We have no post card containing the quotation from Lincoln, nor to the best of my knowledge have we ever issued such a post card. * * * The quotation is, of course, well known to us, and it is quite possible we may have referred to it in our Monthly Notes, though not in any recent years." Another correspondent in England suggests that a branch of the league may have circulated the card.

[10] The advertisement appeared in New York in the Journal of Commerce and the Times, May 1914; perhaps in other newspapers also. The advertiser's answer to inquiries was in the Times of May 18.

[11] Since this note was prepared, my attention has been called to a letter of Mr. Horace White's in the New York Evening Post of April 10, 1914. Mr. White points out that nothing like the oft-cited passage is to be found in Lincoln's writings, and pungently concludes: "My reason for thinking that Lincoln never said this is that he was not a fool."

[1] See vol. III, pp. 127–128, of the Dresden Edition of the Works of Robert G. Ingersoll (New York, 1900). The oration, or lecture, is also reprinted as an introduction to the seventh volume of Lincoln's Collected Writings, edited by Nicolay and Hay (New York, 1905).

[1] Reprinted in the volume of collected essays on Free Trade, the Tariff and Reciprocity (1920).

has communicated with Ingersoll's surviving sister-in-law, Mrs. C. P. Farrell, of New York, and gets from her the unequivocal statement that Ingersoll used the steel rail story as early as 1880. She refers to a speech made in Brooklyn, N. Y., in October 1880, and reported to the New York Herald of October 31 of that year. He used it also in an interview in the Republican of Denver, Colo., on January 17, 1884, and once more in a speech at the Metropolitan Opera House on June 29, 1888. The evidence seems to be complete. Ingersoll was the author of the phrase, and used it frequently. Only by accidental collocation with Lincoln's name did it come to be ascribed to the great President.

EXHIBIT 2

The undersigned American economists and teachers of economics strongly urge that any measure which provides for a general upward revision of tariff rates be denied passage by Congress, or if passed, be vetoed by the President.

We are convinced that increased restrictive duties would be a mistake. They would operate, in general, to increase the prices which domestic consumers would have to pay. By raising prices they would encourage concerns with higher costs to undertake production, thus compelling the consumer to subsidize waste and inefficiency in industry.

At the same time they would force him to pay higher rates of profit to established firms which enjoyed lower production costs. A higher level of duties, such as is contemplated by the Smoot-Hawley bill, would therefore raise the cost of living and injure the great majority of our citizens.

Few people could hope to gain from such a change. Miners, construction, transportation, and public utility workers, professional people, and those employed in banks, hotels, newspaper offices, in the wholesale and retail trades, and scores of other occupations would clearly lose, since they produce no products which could be especially favored by tariff barriers.

The vast majority of farmers also would lose. Their cotton, pork, lard, and wheat are export crops and are sold in the world market. They have no important competition in the home market. They cannot benefit, therefore, from any tariff which is imposed upon the basic commodities which they produce.

PREDICT A DOUBLE LOSS

They would lose through the increased duties on manufactured goods, however, and in a double fashion. First, as consumers they would have to pay still higher prices for the products, made of textiles, chemicals, iron and steel, which they buy. Second, as producers their ability to sell their products would be further restricted by the barriers placed in the way of foreigners who wished to sell manufactured goods to us.

Our export trade, in general, would suffer. Countries cannot permanently buy from us unless they are permitted to sell to us, and the more we restrict the importation of goods from them by means ever higher tariffs, the more we reduce the possibility of our exporting to them.

This applies to such exporting industries as copper, automobiles, agricultural machinery, typewriters and the like fully as much as it does to farming. The difficulties of these industries are likely to be increased still further if we pass a higher tariff.

There are already many evidences that such action would inevitably provoke other countries to pay us back in kind by levying retaliatory duties against our goods. There are few more ironical spectacles than that of the American Government as it seeks, on the one hand, to promote exports through the activity of the Bureau of Foreign and Domestic Commerce, while, on the other hand, by increasing tariffs it makes exportation ever more difficult.

We do not believe that American manufacturers, in general, need higher tariffs. The report of the President's Committee on Recent Economic Changes has shown that industrial efficiency has increased, that costs have fallen, that profits have grown with amazing rapidity since the end of the world war. Already our factories supply our people with over 96 percent of the manufactured goods which they consume, and our producers look to foreign markets to absorb the increasing output of their machines.

Further barriers to trade will serve them not well but ill.

EFFECT ON INVESTMENTS ABROAD

Many of our citizens have invested their money in foreign enterprises. The Department of Commerce has estimated that such investments, entirely aside from the war debts, amounted to between $12,555,000,000 and $14,555,000,000 on January 1, 1929. These investors, too, would suffer if restrictive duties were to be increased, since such action would make it still more difficult for their foreign debtors to pay them the interest due them.

America is now facing the problem of unemployment. The proponents of higher tariffs claim that an increase in rates will give work to the idle. This is not true. We cannot increase employment by restricting trade. American industry, in the present crisis, might well be spared the burden of adjusting itself to higher schedules of duties.

Finally, we would urge our Government to consider the bitterness which a policy of higher tariffs would inevitably inject into our international relations. The United States was ably represented at the World Economic Conference which was held under the auspices of the League of Nations in 1927. This Conference adopted a resolution announcing that the time has come to put an end to the increase in tariffs and to move in the opposite direction.

The higher duties proposed in our pending legislation violate the spirit of this agreement and plainly invite other nations to compete with us in raising further barriers to trade. A tariff war does not furnish good soil for the growth of world peace.

THE SIGNERS

The signers include many economists connected with banks, public utilities, manufacturing industries, merchandising concerns, and other business establishments.

The number signing from leading universities are: Columbia 28, New York University 22, Cornell 18, Harvard 25, Yale 14, Princeton 17, Dartmouth 24, Chicago 26, Wisconsin 23, Pennsylvania 13, California 11, Stanford 7, Illinois 14, Northwestern 9, Minnesota 15, Missouri 15.

ORIGINATORS AND FIRST SIGNERS

PAUL H. DOUGLAS, professor of economics, University of Chicago.

Irving Fisher, professor of economics, Yale University.

Frank D. Graham, professor of economics, Princeton University.

Ernest M. Patterson, professor of economics, University of Pennsylvania.

Henry R. Seager, professor of economics, Columbia University.

Frank W. Taussig, professor of economics, Harvard University.

Clair Wilcox, associate professor of economics, Swarthmore College.

ADDITIONAL SIGNATURES

Alabama

University of Alabama—James Halloday.

Arizona

University of Arizona—Robert B. Pettingill.

Arkansas

University of Arkansas—Truman C. Bingham, Walter B. Cole, Kenneth Sharkey, C. C. Fichtner, A. W. Jamison, C. O. Branner, B. M. Gile.

Hendrix Henderson College—Ivan H. Grove, O. T. Gooden.

California

University of California—Ira B. Cross, Gordon S. Watkins, Stuart Daggett, M. M. Knight, Robert A. Brody, E. T. Grether, E. J. Brown, Lonn T. Morgan, Henry F. Grady, E. W. Braun, N. L. Silverstein.

Claremont College—Horace Secrist.

University of Southern California—Reid L. McClung.

University of Redlands—H. C. Tilton, Arthur D. Jacobson.

California Institute of Technology—Horace N. Gilbert.

Mills College—Glenn F. Hoover.

Stanford University—Dean W. E. Hotchkiss, Eliot Jones, Holbrook Working, Helen Cherington Farnsworth, Ada Fay Wyman, L. Elden Smith, Murray S. Wildman.

Pomona College — Kenneth Duncan, George I. Burgess, Norman Ness.

Armstrong College of Business Administration—Frank A. Haring, W. W. Diehl, J. Evan Armstrong, John H. Goff, George A. Letherman, J. Frank Day.

College of the Pacific—Robert C. Root, Luther Sharp, Laura M. Kingsburg.

Pasadena Junior College—Roscoe Lewis Ashley, Earl D. Davis, Leland M. Pryor, Fred G. Young, Louise H. Murdock, Henry P. Melnikow, Louis J. Hopkins, R. F. Berkeley, Walter W. Cooper, Howard S. Noble, L. S. Samra, Philip J. Webster, Claire Soderblom.

Colorado

University of Colorado—Dean Elmore Peterson, Frederick J. Bushee.

Colorado College—A. P. R. Drucker, J. G. Johnson, Edna Rose Groth.

University of Denver—H. W. Hudson.

State Agricultural College—D. N. Donaldson.

Colorado Wesleyan University—Clyde Olin Fisher, K. M. Williamson, Norman J. Ware.

Connecticut

Yale University—Ray B. Westerfield, Fred R. Fairchild, Winthrop M. Daniels, Jerome Davis, C. H. Whelden, Jr., Hudson R. Hastings, Ralph A. Jones, A. Barr, Jr., William W. Werntz, Triston R. Barnes, H. Berolzheimer, Geoffrey Crowther, Francis W. Hopkins.

Connecticut Agricultural College—Albert E. Waugh, Edward H. Gumbart, Cecil G. Tilton.

Trinity College—G. A. Kleene, George A. Suter, Henry W. Farnam, Curtis M. Geer, Charles A. Tuttle.

Delaware

University of Delaware—Claude L. Bonner, Harry S. Gabriel, J. Sidney Gould.

District of Columbia

Horace B. Drury, Frank J. Warne, Herbert O. Rogers, Arthur Sturgis, Boris Stern, Lester D. Johnson, Edith S. Gray, Arthur S. Field, W. H. Rowe, Glen L. Swiggett, John H. Gray, Jesse E. Pope, Harold Van V. Fay, Kurt Schneider, Charles E. Purans, Agnes L. Peterson, C. E. Clement, George B. L. Arner, William G. Elliot 3d, George B. Galloway, R. M. Boeckel.

Brookings Institution—C. C. Hardy, Leverett S. Lyon, Philip G. Wright, Lynn R. Edminister, W. M. Blaisdell, Gustavus A. Weber, Frank Tannenbaum, Freda Baird.

George Washington University—Harold G. Sutton, Richard N. Owens, Belva M. Owens.

American University—Charles F. Marsh, D. A. Kinsman.

Catholic University—The Rev. John A. Ryan.

Florida

Francis M. Williams, H. Clay Armstrong, Isaac W. Bernheim.

Rollins College—Glen E. Carlson, Leland H. Jenks.

University of Florida—Harwood B. Dolbeare, Howard M. Dykman, Rollin S. Atwood, W. T. Hicks, J. G. Eldridge, J. P. Wilson P. C. Saglione, Huber C. Hurst.

Georgia

University of Georgia—Dean R. P. Brooks, Glenn W. Sutton, James B. Summers, Malcolm H. Bryan, John W. Jenkins.

Agnes Scott College—James M. Wright.

Emory University—Edgar H. Johnson, Clark Warburton, Mercer G. Evans.

Idaho

University of Idaho—Irwin Crane.

College of Idaho—Robert Rockwood McCormick.

Illinois

University of Illinois—Merlin H. Hunter, D. H. Hoover, M. A. Weston, D. Philip Locklin, Simon Litman, George U. Sanford, Paul E. Alyer, Paul M. Vanarsdell, Edward Berman, Donald R. Taft, Horace M. Gray, Daniel Barth, Jr., D. M. Dailey, R. F. Smith.

Northwestern University—Earl Dean Howard, Spencer W. Myers, Arthur J. Todd, Charles A. R. Wardwell, A. D. Theobald, Harold A. Frey, Coleman Woodbury, Robert J. Ray, E. W. Morehouse, Helen C. Manchau.

James Milliken University—Jay L. O'Hara.

Monmouth College—J. S. Cleland.

University of Chicago—H. A. Millis, J. Laurence Laughlin, Henry Schultz, Garfield V. Cox, Chester W. Wright, Stuart P. Meech, H. G. Shields, Hazel Kyrk, James L. Palmer, Paul W. Stone, Martin Taitel, Helen R. Jeter, S. H. Nerlove, F. W. Clower, John U. Nef, Howard A. Baker, Charles J. Coe, Sara Landau, Arthur M. Weimer, Hilding B. Jack, Mary V. Covey, Leo McCarthy, May I. Morgan, R. W. Baldwin, Esther Essenshade.

Knox College—R. S. Steiner.

Lewis Institute—Judson F. Lee, P. S. Mata, E. J. Fowler, Carl Vrooman, A. D. Arado, Eugene W. Burgess, Ruth M. Kellogg, S. Leon Levy, Dorothy W. Douglas, Edward Manley, Willard S. Hall, O. David Zimring, E. W. Marcellus, I. W. Mints, Roger T. Vaughan, Everett V. Stonequist, Henry C. Simons, Margaret Grobben, Howard B. Myers, Joseph E. Griffin, Gerard S. Brown, H. S. Irwin, George E. Hooker, John H. Sherman, John B. Woolsey, Harland H. Allen, Lester S. Kellogg.

Indiana

Indiana University—Thomas S. Luck, William C. Cleveland, Guy E. Morrison, James E. Moffat, Edwin J. Kunst.

Butler University—M. G. Bridenstein, Earl R. Beckner, Chester B. Camp, M. F. Gaudian.

Evansville College—Dean Long, Heber P. Walker, Paul G. Cressey.

Goseh College—Roland Yoder.

De Pauw University—William R. Sherman, A. H. Woodworth.

Iowa

University of Iowa—E. B. Reuter, Richard W. Nelson, George W. Mitchell, J. L. Miller, J. E. Partington.

Drake University—David F. Owens, L. E. Hoffman, W. N. Rowlands, Herbert W. Bohlman, Herbert R. Mundhenke.

Iowa State College—Elizabeth Hoyt, John E. Brindley.

Penn College—President H. L. McCracken.

Grinnell College—Laetia M. Conard.

Kansas

University of Kansas—John Ise, Jens P. Jensen, Eugene Maynard, Domenico Gagliardo.

Kansas State Agricultural—Leo Spurrier, J. E. Karnmeyer, T. J. Anderson, Jr.

Kansas Wesleyan—David Dykstro.

Southwestern College—E. R. McCarthy.

Bethel College—Robert G. O. Grovewald, J. F. Moyer, H. W. Guest, W. M. Blach.

Kentucky

University of Kentucky—Edward Weist, James W. Martin, J. Catron Jones, C. A. Pearce, J. Phillip Glenn, Harry Best, Esther Cole, Chester W. Shull, G. W. Patton, John Kimper, Dana G. Card, Saul K. Walz, H. Bruce Price, Walter W. Jennings.

Louisiana

Tulane University—Robert W. Elsasser, J. H. Stallings, National Fertilizer Co.

Maine

John W. Bowers.

Bowdoin College—Walter B. Catlin, Phillips Mason, Morgan B. Cushing, William W. Lockwood Jr., Wilfred H. Crook.

Maryland

Theodore Marburg, Dexter M. Keezer.

Goucher College—Mollie Ray Carroll, Elinor Pancoast.

St. John's College—V. J. Wyckoff.

John Hopkins University—Broadus Mitchell.

Western Maryland College—W. B. Sanders, W. Scott Hall.

Massachusetts

Harvard University—G. B. Roorbach, John D. Black, Carl F. Taeusch, N. S. B. Gras, Albert P. Usher, M. L. McElroy, Lawrence C. Lockley, T. H. Sanders, S. E. Harris, J. E. Dalton, Arthur W. Hanson, Donald H. Davenport, Scott Warren, Malcolm P. McNair, Murray R. Benedict, Albert O. Greef, P. T. Ellsworth, James A. Ross Jr., George P. Baker, S. S. Stratton, Robert L. Masson, Edmund P. Learned, Joseph L. Snider, Karl W. Bigelow.

Amherst College—Willard L. Thorp, George R. Taylor, A. K. Eaton.

Williams College—President H. A. Garfield, W. W. McLaren, Albert Sydney Bolles, Walter B. Smith, David Clark, Rosnell H. Whitman.

Wellesley College—Elizabeth Donnan, Lucy W. Killough, Emily Clark Brown, Mary B. Treudley.

Massachusetts Institute of Technology—James C. MacKinnon, B. A. Tresher, Carroll W. Doten.

Tufts College—President John A. Couzens.

Smith College—Frank H. Hankins, Harold U. Faulkner.

Simmons College—Sara S. Stites.

Mount Holyoke College—Alzada Comstock.

Babson Institute—James M. Matthews.

Boston University—Charles T. Andrews.

Northeastern University—Milton J. Schlagenhauf, Julian E. Jackson, B. Gabine.

Clark University—Arthur F. Lucas, S. J. Brandenburg.

Wheaton College—Edith M. White.

Herman F. Arentz, John W. Boldyreff, Dickinson, W. Leavens, Francis G. Goodale, L. H. Hauter, George M. Peterson, Samuel Sigilman, E. M. Winslow, A. S. Kingsmill, Prentice W. Townsley, Gilbert A. Tapley, L. H. L. Smith, John D. Willard, Lauchlin Currye, A. E. Monroe, C. L. McAleer, Arthur M. Moore, Harry Wood, Edward S. Mason, Lucile Eaves.

Michigan

Lawrence H. Seltzer, Arthur E. Erickson, Clifford E. King.

Battle Creek College—W. F. Payne.

Western State Teachers' College—Floyd W. Moore.

University of Michigan—Dean C. F. Griffin, G. S. Peterson, Roy G. Burroughs, Carroll H. May, Robert J. Henry, Ruth M. Engle, Nathaniel H. Engle, C. F. Remer.

Michigan State College—Herman Wyngarden.

Minnesota

Carleton College—J. S. Robinson, O. C. Helwig, Paul R. Fossum, Gordon H. Ward.

University of Minnesota—Roy G. Blakey, Alvin H. Hansen, B. D. Mudgett, O. B. Jesness, R. A. Stevenson, Carl C. Zimmerman, Roland S. Vaile, Peter L. Stagswold, Glen R. Treanor, A. C. Haskin, Arthur W. Marget, O. W. Behrens, Richard L. Kozelka, J. Ross McFayden, John J. Reighard.

Mississippi

Agriculture and Mechanical College—Lewis E. Long.

Missouri

Chester W. Bigelow, S. E. Rigg.

Washington University—G. W. Stephens, J. Ray Cable, Orval Bennett, Ralph Carr Fletcher, Joseph M. Klamow, Joseph J. Senturia.

Westminster College—W. S. Krebs, Frank L. McCluer.

University of Missouri—Harry Gunnison Brown, James Harvey Rogers, Charles A. Elwood, F. L. Thomsen, B. H. Frame, C. H. Hammar, Preston Richard, D. C. Wood, H. C. Hensley, Morris D. Orten, Howard S. Jensen, Arthur S. Ennis, R. E. Curtis, George W. Baughman, O. R. Johnson.

Montana

University of Montana—Mattheas Kast.

Nebraska

Edward L. Taylor, W. G. L. Taylor, D. M. Halley.

Doane College—J. Harold Ennis, J. E. Taylor.

University of Nebraska—J. E. Lerossignol, G. O. Virtue, J. E. Kirshman, Vernon G. Morrison, Oscar R. Martin, J. C. Rankin.

Nevada

University of Nevada—Edward G. Sutherland, M. J. Webster, W. R. Blackhod, Ernest S. Brown.

New Hampshire

George W. Raynes.

University of New Hampshire—Claire W. Swonger, Carroll M. Degler, John D. Hauslein, H. J. Duncan, H. W. Smith.

Dartmouth College—Malcolm Kier, Ray V. Leffler, Robert E. Riegel, Russell D. Kilborne, W. A. Carter, Bruce W. Knight, Everett W. Goodhue, H. V. Olsen, Robert P. Lane, Louis W. Ingram, Archie M. Peisch, Stephen J. Navin, Herman Feldman, H. S. Raushenbush, Stacy May, H. F. R. Shaw, Earl R. Sikes, Lloyd P. Rice, Harry Purdy, J. L. McDonald, Nelson Lee Smith, Arthur Howe, G. Reginald Crosby, W. H. McPherson.

New Jersey

Walter H. Steinhauser, Edmund W. Foote, Augustus Smith, Franklin W. Ryan, Charles W. Lum, A. J. Duncan, Robert L. Smitley, Peter Fireman, Robert F. Foerster.

Princeton University—Frank A. Fetter, Frank Dixon, James J. Smith, Richard A. Lester, Vernon A. Mund, Denzol C. Cline, James M. Garrett, Stanley E. Howard, Donald L. Kemmerer, Frank W. Fetter, J. Douglas Brown, George F. Luthringer, Howard S. Piquet, George W. Modlin, J. W. Blum.

Rutgers University—E. E. Agger, Harry D. Gideons, Thomas W. Holland, E. L. Fisher.

New York

Columbia University—Wesley C. Mitchell, J. M. Clark, J. Russell Smith, James C. Bonbright, R. G. Tugwell, R. M. Maciver, Frederick M. Mills, Paul F. Brissenden, Robert E. Chaddock, Edward L. Thorndyke, Robert L. Hale, K. N. Llewellyn, A. H. Stockder, Edith Elmer Wood, William E. Dunkman, George Fillipetti, Edward J. Allen, Harold F. Clark, E. J. Hutchinson, B. H. Brechart, Addison T. Cutler, George Mitchell, Robert L. Carey, Elizabeth F. Baker, C. C. Williamson, Margaret Eagelson, Ralph H. Blanchard.

New York University—Wilford I. King, Myron W. Watkins, J. D. Magee, Walter E. Spahr, Marue Nedler, Corwin D. Edwards, William E. Atkins, D. W. McConnell, A. A. Frederick, Richard A. Girard, Louis S. Reed, John J. Quigley, Carl Raushenbush, Irving Glass, Lois Maeslenold, Edith Ayres, Arthur Weeburg, Willard Friedman, Loyle A. Morrison, Randolf M. Binder, John H. Prime, John W. Wingatex, Arthur Wubpiez.

Cornell University—Sumner Slighter, Walter F. Wilcox, Morris A. Copeland, Paul T.

Homan, S. S. Garrett, M. Slade Kendrick, James E. Boyle, Paul M. O'Leary, Lewis A. Froman, Harold L. Read, Donald English, Julian L. Woodward, W. Ross Junkin, William R. Leonaro, Leonard P. Adams, John H. Patterson.

Syracuse University—Harvey W. Peck, H. E. Bloe.

Colgate University—Freeman H. Allen, Albert L. Myers, E. Wilson Lyon, Sherman M. Smith, T. H. Robinson, N. J. Padelford, Everett Clair Bancroft, J. Milbourne, Shortliffe.

Vassar College—Mabel Newcomer, Ruth G. Hutchinson, Kathleen C. Jackson, Herbert E. Mills.

University of Buffalo—Niles Carpenter, T. L. Norton, Newlin R. Smith, Raymond Chambers.

Union College—W. M. Bennett, Donald C. Riley, Daniel T. Selks.

Wells College—Mabel A. Magee, Jean S. Davis.

Hobart College—W. A. Hosmer.

Hunter College—Eleanor H. Grady.

University of Rochester—Roth Clausing.

Brookwood Labor College—Daniel J. Saposs.

Taylor Society—H. S. Person, managing director.

The Business Week—Virgil Jordan, editor.

The Annalist—Bernard Ostrolenk, editor.

International Telephone Securities Company—M. C. Porty.

Second International Securities Corp.—Leland R. Robinson.

Social Science Research Council—Meredith B. Givens.

American Electric Railways Association—Leslie Vickers.

Russell Sage Foundation—Mary Van Kleeck.

Tariff board—N. I. Stone, formerly chief statistician.

Federal Council of Churches of Christ in America—Arthur E. Suffern, Benson Y. Landis.

New York School of Social Work—John A. Fitch.

Clarkson College—Charles Leese.

Industrial Relations Counselors, Inc.—Mary B. Gilson, Murray Latimer, W. Bert, S. Regalo, James W. Zonson, Jeanne C. Barber.

Skidmore College—Coleman B. Cheney.

College of the City of New York—Ernest S. Bradford.

St. Lawrence University—Whitney Coombs.

Alfred University—Paul Rusby.

American Management Association—Mary Rogers Lyndsay, Leona Powell.

American Association for Labor Legislation—George H. Trafton, John B. Andrews.

Carl Snyder, Leo Wolman, George Soule, Stuart Chase, Herbert Feis, Edward T. Devine, George P. Auld, Fabian Franklin, Lawson Purdy, Gorton James, Paul W. Paustian, Warren W. Persons, Paul Tuckerman, Charles B. Austin, Donald R. Belcher, H. T. Newcomb, Lester Kirtzleb, A. W. Kattenhous, W. W. Cumberland.

Also, M. L. Jacobson, R. D. Fleming, Dudley M. Irwin, George B. Hill, William Church Osborne, Robert F. Binkled, F. B. Patten, Wendell M. Strong, Ida Craven, Elizabeth Todd, A. D. Noyes, Robert E. Corradini, Samuel M. Dix, W. C. Wishart, Edward E. Hardy, Ernest G. Draper, M. Leo Gitelson, Harold Fields, Henry Israel, Asher Achenstein, F. L. Patton, Stanley B. Hunt, R. L. Wiseman, Shelby M. Harrison, Rufus S. Tucker, John J. Willie, R. D. Patton, William E. Johnson, Albert W. Russell, Robert T. Hill, D. J. Cowden.

W. D. Gann, Melbourne S. Moyer, Herbert Fordham, Owen Ely, Roger H. Williams, Robert M. Woodbury, May Lerner, Elsie Gluck, Paul Bonwit, Robert D. Kohn, V. Kelley, J. C. Meeder, Cyrus L. Sulzberger, Charles S. Bernheimer, Ephraim A. Karelsen, Henry C. Hasbrouck, Robert Whitten, P. M. Tuttle, F. Lewis Corser.

Also Jeanette Kimball, Francis H. McLean, John M. Glenn, C. J. Fuller, Emily Barrofs Weber, Rich Kramer, Montefiore G. Kahn, Mary A. Prentiss, L. R. Gottlieb, Charles R. Fay, Martin Clark, John P. Munn, Otto S. Whitelock, Victor Morawetz, Clinton Collver, Helen Sumner Woodbury, William Seagle, Helen Sullivan, Bettina Sinclair.

North Carolina

Selma Rogas, C. K. Brown, A. Currie, Maxwell G. Pangle, Carl J. Whelan.

North Carolina State College—Joseph G. Knapp.

University of North Carolina—Dean D. D. Carroll, J. Gilbert Evans, W. F. Ferger, C. T. Murchison, G. T. Schwenning, E. D. Strong.

North Carolina College for Women—Albert S. Keister.

Duke University—R. A. Harvill, J. P. Breedlove, J. H. Shields, William J. H. Colton, Christopher Roberts, E. R. Gray, B. U. Ratchford, Robert S. Smith.

Elon College—Ralph B. Tower.

North Dakota

Dana G. Tinnes, James Forgerson.

University of North Dakota—Dean E. T. Towne, J. Donald Pymm, A. G. Rowlands, Daniel J. Schwieger, J. Periman, Spencer A. Larson, J. J. Rellahan, Roy E. Brown, Carmen G. Blough, E. C. Koch, V. A. Newcomb, Daniel James.

Ohio

Ohio State University—Matthew B. Hammond, Milo Kimball, J. J. Spengler, Clifford I. James, E. L. Bowers, Henry J. Butterman, W. M. Duffas, Louise Stitt, Willford J. Eiteman, Paul N. Lehocyky, N. Gilbert Riddle.

Antioch College—William M. Leiserson, Rudolf Broda, Algo D. Henderson.

Lake Erie College—Olive D. Reddick.

Wooster College—Alvin S. Testlebe, E. E. Cummins.

University of Cincinnati.—Harry Henig.

Miami University.—Warren S. Thompson, P. K. Whelpton, Edwin S. Todd, H. H. Beneke, Henry P. Shearman, C. H. Sandage, Howard White, Howard R. Whinson, John F. Schreiner, Wilfrid G. Richards, Carroll B. Malone, James H. St. John, F. B. Joyner, W. J. M. Neff, J. R. Dennison, J. M. Gersting, Read Bain.

Heidelburg College—Onsian Gruber.

Hiram College—J. E. Smith.

Denison University—Hiram L. Jome, Harold H. Titus, Leo A. Thaake, Charles West, Frederick E. Detweiler.

Western Reserve University—Claude Stimson, O. J. Marsh, Louis O. Foster, C. C. Arbuthnot.

Oberlin University—C. C. Bayard, Paul S. Peirce.

Case School of Applied Science—Frank T. Carleton.

Kenyon College—George M. James.

Municipal University of Akron—W. W. Leigh.

University of the City of Toledo—Clair K. Searles.

Dr. I. M. Rubino, Edward D. Jones, John A. Zangerle, I. W. Appleby, Amy G. Maher, Homer H. Johnson, E. L. Oliver, Thomas M. Wolfe, Grover P. Osborne, Eugene H. Foster.

Goodyear Tire & Rubber Co.—H. L. Flanick, Royal E. Davis.

Oklahoma

Oklahoma Agricultural and Mechanical College—Orman W. Hermann, P. H. Stephens, J. T. Sanders.

University of Tulsa—A. M. Paxson, W. M. Maurer.

University of Oklahoma—Dean Paul L. Vogt, Leonard Logan, Jr., John P. Ewing, Ivar Axelson, N. Grady Sloan.

Northeastern State Teachers College—Dean Sobin C. Percefull.

Oregon

Oregon State College—E. B. Mittelman, F. L. Robinson, Alfred C. Schmidt, Curtis Kelley, Bertha Whillock, Leila Hay, E. E. Farnsworth, J. H. Irvine, H. K. Roberts.

Reed College—Clement Akerman, Blair Stewart.

Pacific University—Harold N. Burt, Harold Harward.

University of Oregon—Vernon G. Sorrell.

Pennsylvania

University of Pennsylvania—Emory R. Johnson, dean; Raymond T. Bye, Paul F. Gemmill, William C. Schluter, Stuart A. Rice, W. E. Fisher, William N. Loucks, Karl Scholz, Clyde M. Kahler, Raymond T. Bowman, Weldon Hoot, William J. Carson.

Temple University—Russell H. Mack, William J. Douglas, S. S. Hoffer.

Wilson College—Henrietta C. Jennings.

Lehigh University—E. A. Bradford, Elmer C. Bratt.

University of Pittsburgh—Francis D. Tyson, Marion K. McKay, Colston E. Warne, Donald D. Kennedy, Vincent W. Lanfear, Hugh M. Fletcher, P. N. Dean.

Washington and Jefferson—Carl W. Kaiser.

Bryn Mawr College—Hornell Hartz.

Franklin and Marshall—Horace R. Barnes, Edward L. Lancaster, Wesley Gadd, Noel P. Laird, Harold Fischer.

Haverford College—Don C. Barrett, John G. Herndon, Jr.

Pennsylvania State College—Earl V. Dye, W. E. Butt, H. W. Stover.

Drexel Institute—Edwin J. Kaschenbach, A. E. Blackstone, C. L. Nickels, Earl Spargee, W. N. McMullan.

Swarthmore College—Robert C. Brooks, Herbert F. Fraser, Troyer S. Anderson, J. Roland Pennock.

J. Henry Scattergood, Hugo Bilgram, Carl W. Fenninger, Louis N. Robinson, M. S. D'Essipri, Charles L. Serrill, John C. Lowry, Herbert S. Welsh, Raymond Symestvzdt, Alexander Fleischer.

Rhode Island

Brown University—C. C. Bosland, Willard C. Beatty.

Rhode Island State College—Andrew J. Newman.

South Carolina

Furman University—A. G. Griffin.

South Dakota

A. I. Osborne.

Tennessee

E. P. Aldredge.

University of Chattanooga—C. W. Phelps.

Southwestern University—M. H. Townsend, Horace B. Davis.

University of the South—Eugene M. Kayden, William S. Knickenbacker, W. H. MacKellar, J. J. Davis, I. Q. Ware, George W. Nicholson, J. P. Jersey, C. B. Wilmer.

Texas

University of Texas—R. H. Montgomery, A. S. Lang.

A. and M. College—F. B. Clark, G. C. Vaughn, Thomas A. Hamilton.

Southern Methodist University—William F. Hanhart, Donald Scott, Frank K. Rader, Laurence H. Fleck.

Texas Technological College—John C. Granbery, Ormond C. Corry, Harold R. Nissley, B. F. Coldray, Jr.

Utah

Latter Day Saints' College—Feramorz Y. Fox.

Vermont

University of Vermont—George C. Groat, Claude L. Stineford, L. Douglas Meredith.

Virginia

William H. Stauffer.

College of William and Mary—Shirley D. Southworth, A. G. Taylor.

Randolph Macon—Langdon White.

Washington and Lee—Robert H. Tucker, E. E. Ferebee, M. C. Robaugh, M. Odges Phillips, R. G. Lausgobel, Dean G. D. Hancock.

University of Virginia—Wilson Gee, Charles N. Hulvey, G. R. Snavely, Abraham Berglund, A. J. Barlow, B. A. Hiniard, G. S. Starnes, William H. Wendel.

Washington

Arthur B. Young.

University of Washington—Theresa S. McMahon.

State College of Washington—Lawrence Clark.

West Virginia

University of West Virginia—E. H. Vickers, A. J. Dadisman.

Marshall College—C. E. Carpenter.

Wisconsin

Charles E. Brooks, Eldred M. Keayes, Alice E. Belcher, Ethel Wynn, R. Beckwith, J. Roy Blough, A. R. Schnaitter, Mary S. Peterson, William D. Thompson.

Lawrence College—R. H. Lounsburg, W. A. McConacha, M. M. Bober, M. M. Evans.

Beloit College—Lewis Severson, Lloyd U. Ballard, Dwight L. Palmer.

Marquette University—Lyle W. Cooper, William H. Ten Haken, Leo A. Schmidt, Oscar F. Brown, N. J. Hoffman, George W. Knick.

University of Wisconsin—Frederick A. Og, Edward A. Ross, William H. Kiekhofer, Selig Perlman, Alma Bridgman, Elizabeth Brandeis, Arthur Hallahan, Philip G. Fox, H. Rowland English, J. C. Gibson, Stanley Rector, George S. Wehrwein, William A. Scott, Paul A. Rauschenbush, M. G. Glaeser, I. A. Hensey, Arnold Zempel, J. H. Miller, Russell H. Baugh, J. Marvin Peterson, Harold M. Groves, Alfred W. Briggs, Margaret Pryor.

RECESS TO 10:30 A. M. TOMORROW

Mr. DOUGLAS. Madam President, in accordance with the order previously entered, I move that the Senate stand in recess until 10:30 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 35 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, May 4, 1955, at 10:30 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 3, 1955

The House met at 12 o'clock noon.

Rev. Josef A. Barton, pastor, Czech Moravian Brethren Church, Bellville, Tex., offered the following prayer:

Our Lord, continue Thy presence with us this day, we beseech Thee. Teach us where we need to be taught. Strengthen us as we need to be strengthened. Chastise us as we need to be chastised. Help us to seek the basic and not the base. May that which we do be fundamental for the welfare of our Nation. May we rather be miserable than to cause misery, is our prayer, as we depend upon Thy infinite grace. Amen.

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

POLISH NATIONAL DAY

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

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

There was no objection.

Mr. MACHROWICZ. Mr. Speaker, today is Polish National Day, celebrating the 164th anniversary of the Polish Constitution, an outstanding document discarding class distinction, abolishing restrictions on the freedom of the individual, and guaranteeing religious tolerance. This was truly the first democratic constitution in Europe and a milestone in the development of parliamentary democracy.

It is significant that the Polish Nation, which led Europe in democratic thought, should today be deprived of its freedom and liberty by an autocratic totalitarianism in the form of Soviet communism.

It is discouraging to note that our own country, which is looked upon to lead the free world in the struggle against Communist oppression, has succumbed to a policy of appeasement, of compromise with evil, and of peaceful coexistence with an enemy who is determined to destroy us at the first opportunity.

Under such circumstances the hopes for restoration of freedom and liberty to the Polish Nation are not bright for the near future. On this day, however, I pray that we may see the light and come to a realization that our future and the future of all the world, including Poland, depends on our ability to stand steadfast upon the principles which have made us the greatest nation on earth. We must realize that every time we appease the Communists, either in Europe or in Asia, by sacrificing principles, we not only lose respect among other free nations, but we bring ourselves closer to the war we are trying to avoid.

When this fact is realized, and when we pursue a course of honor and determination to fight for what is right, we will have a just and lasting peace on earth, and Poland will again be restored to its rightful place among the free nations of the world.

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

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

There was no objection.

Mr. REUSS. Mr. Speaker, today is the 164th anniversary of the signing of the Polish National Constitution—under which the Polish Nation obtained the bill of rights that it is now denied.

As we well remember, the Nazi armies advanced over the borders into Poland on September 1, 1939. The valiant Polish people, against overwhelming odds, decided to defend the precious liberties they had won in their constitution of May 3, 1791. Every inch of Polish soil taken was drenched with the blood of patriots who surrendered only when crushed by an inconceivable opposition. Their allies, Britain and France, responding honorably to their mutual-defense obligations, immediately declared war on Germany. Less than 3 weeks later, Polish hopes were temporarily shattered when the Soviet Union joined Germany under the infamous Molotov-Ribbentrop pact, and ruthlessly invaded that courageous country from the east.

Subsequent history is well remembered. The Russian Army, once established in Poland, aided the small Communist Party in crushing opposition whenever it arose. Through the secret police, the prison camp, and the other terrors they use so frequently, the Communists have managed to control the freedom-loving people of Poland. Poland is today cut off from the west with which it shares the closest cultural, economic, and religious ties.

The policy of this country toward Poland must be clear and unflinching. We long for the day when a Poland, dedicated to the preservation of human rights and working in brotherly cooperation with her neighbors, can once again be free. We must never depart from this goal.

Recently, irresponsible men in responsible positions in this country have attempted to exploit the yearning for freedom of the Polish people by talking of liberation as if this country were willing or able to remove the Russian yoke from Poland by force of arms. To plunge the world into a thermonuclear catastrophe would leave neither the Polish people nor the people of this country to enjoy the blessings of liberty.

But the fact that the term "liberation" has been abused by the sloganeers does not mean that this country needs to follow its present course of drift, which holds out no ray of hope to Poland or the other enslaved states behind the Iron Curtain.

With the ratification of the arrangements for the rearming of Germany, the West has acquired a position of strength toward Russia. Already, the Russians are ending their 10 years of intransigence on Austria, and are calling for a conference to end the Austrian occupation.

If we let Russia make all the moves and display all the initiative, we will dissipate the position of strength that we have now so laboriously obtained. Could we not now place Russia on the defensive, for a change, if the President were to speak out before the world in a vein that has been recently suggested in this House:

> To the people of Europe, we say this. West German rearmament is underway, because Russia leaves the West no alternative. But if you agree, and if Russia will carry out her part of the bargain by withdrawing to her historic borders, we will welcome a unified and independent Germany; a free Poland, Czechoslovakia, Hungary, Austria, Rumania, Bulgaria, and the Baltic States, each independent but part of a larger central European community based upon a respect for human rights; all without the capacity to make aggressive war, but with their security guaranteed by the U. N.

Such a statement, by meeting any legitimate security need of Russia, would put her on the defensive. Her acceptance could make possible a real start toward world disarmament. Her rejection would make crystal clear that it is Russia, and Russia alone, which is the enemy of German unification, Polish liberation, and European federation.

The people of Poland have not given up hope. Is it not time that this country help to keep that hope alive by tabling before the bar of world opinion a proposal that is both hopeful and just?

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.