

EXTENSIONS OF REMARKS

The Role of the Military

EXTENSION OF REMARKS
OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. RIVERS. Mr. Speaker, on the occasion of the graduating class of 1955 at The Citadel, the military college of South Carolina, Charleston, S. C., the distinguished Chairman of the Joint Chiefs of Staff, Adm. A. W. Radford, delivered the address on Saturday, June 4. His subject was *The Role of the Military*.

In plain, simple, and everyday language, this outstanding officer, the holder of innumerable decorations and citations for leadership, courage, and valor, in the most deadly wars in which this country has ever been engaged, related to the graduates of that fine institution the tremendous necessity for participation in the mission assigned to the military during the years in which they, as graduates, will be called upon to give service to their country.

Admiral Radford's address demonstrates to these fine young men how the military man, during this global participation to which this Nation is committed, among other things is part and parcel of our economic and diplomatic life as well as the military.

I doubt that any man in the Nation is better qualified to speak on this subject than Admiral Radford. The Congress has confidence in his leadership. The Nation likewise knows that Admiral Radford regards its safety and security as one of his most sacred obligations.

The address of the distinguished Chairman follows:

THE ROLE OF THE MILITARY

(Graduation address by Adm. Arthur Radford, Chairman of the Joint Chiefs of Staff, before The Citadel, Charleston, S. C., June 4, 1955)

Quite naturally, a ceremony like this carries me back around 40 years to when I was a member of the brigade of midshipmen at the United States Naval Academy. I saw the graduation ceremonies then, including my own, and I have seen quite a few since.

As a result of my visit here, yesterday and today, I have become impressed by the high standards in your scholastics and training. It makes me very proud to take part this morning in your graduation.

Like other top military schools, The Citadel has more than a century of honorable tradition in contributing to the security of our country. Its graduates have gone out to serve the Nation both as soldiers and as civilians. As one of the oldest schools in the country, The Citadel has the reputation, the curriculum, and the tradition of good education combined with a sound military orientation.

In this day and age, most of you are going to be given the opportunity of service to your flag. Some of you probably expect to begin a tour of duty as a member of one of our active services. Others probably will enter our Reserves. It is my hope that many of you will go on, as so many of your dis-

tinguished alumni have done, to follow military careers.

But even if you do not choose to continue as professional soldiers—and I use the term soldiers to refer to all military men—the training and the sense of integrity instilled in you by The Citadel will prove invaluable to you and to the Nation in whatever profession you may pursue.

In my judgment, the greatest opportunity to which you can aspire is the opportunity of service—both military and civilian. You gentlemen have this opportunity for service directly on behalf of the United States of America. There is no greater honor than that.

It is on the subject of this role of the military that I want chiefly to speak, and it is to you graduates that I primarily address my remarks.

Perhaps some of you wonder why so many of your contemporaries are needed by the military services; and why so many, having completed their military service, must continue available for military duty in a national emergency.

The answer is simple: Today our Nation is confronted with the world's greatest and most dangerous menace to our freedoms and our way of life; namely, militant international communism.

Communism is backed by an immense military establishment, and is led by a handful of ruthless individuals who, at any time they see fit, could plunge us into war. Communist leaders have declared their intention to dominate the entire planet on which we live—and they have demonstrated extraordinary capacities for pursuing this intention. Needless to say, it is a struggle we must not lose.

This being the case, what would you say must be done by the Armed Forces in order to protect our peace and security? What is the role of the military?

The Armed Forces exist for one ultimate purpose: the security of the United States. They are organized, trained, and equipped for prompt and sustained combat operations—land, sea, and air—when and as directed by the President and the American people in accordance with our constitutional processes.

Our fighting role is probably our most obvious role. It is our hardest and most difficult role, but it is also our last-resort role, and one used only when our Government calls upon us to use force in defense of our vital interests.

READINESS ROLE

Our second role is our readiness role. "Readiness" is the word for the graduates of The Citadel on this day—a glad and happy day.

Readiness means preparedness. Readiness is your response to your country's call. Readiness is years of practice. It is training, and training means skill, and skill produces efficiency, and efficiency is economical of human life and resources.

Admiral Dewey demonstrated his keen understanding of the philosophy of readiness when he said: "You may fire when ready, Gridley." His words became an epigram destined to live as a part of American military tradition.

Reflect for a moment on the significance of those timeless words. Note how the thought construction of that quiet command describes so well the complete confidence and faith Admiral Dewey had in Gridley's judgment and courage on the eve of that great victory in Manila Bay.

Just as Admiral Dewey trusted Gridley's judgments that day, so Gridley was strengthened by his commander's confidence; and by

the certain knowledge that the ships and the men of the American Fleet were ready to do their job.

There is a parallel for this readiness in our more modern times. As President Eisenhower has said: "We will never commit aggression, but we must always be ready to defeat it."

I wish I could assure each of you personally that the threat to our security has so diminished that the United States no longer requires strong military forces—and that there is no possibility of a war resulting from today's conflict between two opposing ideologies.

But I cannot. I must state flatly that a strong military posture is not only essential to our security, but it is clearly necessary for all the free world.

There has been, of course, a noticeable change in tactics on the part of the Communist high command. Symptoms of this change are the successful conclusion of the Austrian Treaty, and the apparent Soviet willingness to participate in Four-Power talks. But there has been no real indication so far that this represents a fundamental change, either in their character or in their basic long-term objectives.

Thus, while all America sincerely hopes and works for peace, there is still a definite requirement for us to maintain strong military forces in being. In this day, ready forces are strong forces. I stress this word "ready." Our active forces must be ready forces. So must our Reserve forces be ready forces. And all America must be ready to promote unity of action among free nations in establishing long-term security.

ADVISORY ROLE

A third important role or function of the Armed Forces, and these are not set forth in any order of priority, is to give military advice on national security matters. Let's examine for a moment just what this role means.

When I was a young man most of us in uniform were inclined to regard foreign policy as an interesting subject for an evening's academic discussion. We did not feel directly affected by foreign policy decisions unless the decision involved the use of military force.

This has changed—just as the world itself has changed. Fifty years ago our own security was relatively self-sufficient. Today our security is bound up with the security of the free world. Fifty years ago the military had but little concern with foreign policy. Today there is often no clear line of demarcation between foreign and military policy.

Instead, there is overlap. There are military implications in foreign policy, and, conversely, political implications in military policy.

In our democracy military men do not make foreign policies. Such policies are determined by the Chief Executive and the State Department. But their studies are not made without advice of other governmental agencies in pertinent fields; for example, legislative, economic, scientific, and military. Hence, there must be a breadth of comprehension and understanding by the specialists of each as to the roles of the others. After all, the United States is a partnership of all America.

INDIVIDUAL ROLE

Gentlemen, seldom has there been an opportunity for service to your country such as now. You must realize, as I am sure you do, your country expects great things from you in the future.

In your early years you will not be dealing with the broader aspects of global strategy,

new weapons developments, or big business. But you will be dealing with the men and the weapons themselves, and that in itself is no small task today. It is during these early years that you will have to prepare yourselves for the time when you will assume greater responsibilities.

Now, what should you do, personally and individually, to measure up to your increasing responsibilities in both military and civil life?

I feel confident that several thoughts occur to each of you. First is to learn your job and know it thoroughly. Second, keep yourself physically and mentally fit. Third, set a proper example for the people with whom you are associated. And fourth, strive to maintain that spiritual strength and vigor which you have acquired during your life here at The Citadel.

Inherent in all four of these guidelines is your American mission in life: To keep faith in your country and the freedom for which it stands; and to be ready to defend it against all those who would overthrow it.

For you who are being graduated today, I wish I might have the power to instill in each of you a sense of the historic faith in this mission of America that has been handed down through the ages.

After you leave The Citadel, you will find that your education in the broad sense has only begun. The man who thinks he knows everything has ceased to learn. You should keep the insatiable urge to learn more and more about this great civilization of ours—history, geography, science, philosophy, administration, and so on.

How well you develop yourselves during your early years after graduation—how well you continue to learn all that you can—will determine how good you will be in handling greater problems as you advance into positions of greater responsibility.

Let me urge you in the strongest words possible to throw yourself into this military life—completely and enthusiastically while you are in it. Military service gets into your blood. It will be a constructive help to you in whatever career you follow afterward. This is something which is a little hard to express in words, but easy to feel in inspiration.

And now if I may take a minute more to address a special word to the families and friends of this graduating class. To you I say that your young man has proven his mental ability, his physical stamina, and his good character. He truly belongs with our country's finest. You can be proud of him.

And you can show your pride in ways he will appreciate. You can bear with him his absences on far-flung duties. You can share his sense of dedication to duty. In so doing, you contribute not only to his well-being—you contribute to the overall strength of our country.

Members of the graduating class, this is your graduation day. Your parents have looked forward to it almost from the day you were born. It may be that you will find it difficult to appreciate all they have accomplished for you, until you attempt to do the same thing for your children. I am sure that all present here today congratulate them, as well as you.

Then your professors and instructors are to be congratulated on the fine product here before us in the class of 1955. The improvement, discipline, and cultivation of the youthful mind always is a goal worthy of man's finest efforts.

And, finally, you gentlemen are to be congratulated. This ceremony is symbolic of the great responsibility that is placed in your hands today—not by me, or the president of this college—but by all the American people.

Regardless of the career you have chosen, what will count the most in your future will be the service you give to your flag and to your country. You have been judged and

found worthy. Now it is up to you to prove your worth as dedicated American citizens.

For the greatest place of honor is really the place of service.

I am sure I speak for everyone when I say: You have made us very proud. Our heartfelt congratulations and best wishes go with each one of you, and with your families.

Soviet Union Is Graduating 300,000 More Scientists and Engineers Than the United States

EXTENSION OF REMARKS
OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, this country faces a severe shortage of engineers and technically trained personnel. The critical nature of the shortage was emphasized by Allen W. Dulles, director of the Central Intelligence Agency in a speech before the Alumni Federation of Columbia University. Mr. Dulles said that in the decade from 1950 to 1960, the Soviet Union would graduate 1,200,000 scientists and engineers, compared to 900,000 in the United States. He warned that unless something was done at once, Soviet scientific manpower might well outnumber ours in many key areas.

I have introduced two bills, H. R. 2211 and H. R. 5152, which would go far toward meeting the problem facing our country today.

The Nation cannot afford to discourage young scientists. At a time when its requirements for trained men are rising sharply, bachelor degrees in science have been dropping, 20 percent in 1950-51, another 25 percent in the next year. In 4 years all bachelor degrees in science and engineering have dropped from 80,000 to 34,000.

During this same period, Russia has been extolling the scholar and scientists and encouraging its best brains to go into research. In a few years, Russia will be graduating 80,000 engineers a year. Last year the United States graduated 19,000. Experts say it would be fatal to underestimate the growing quality of Russian engineers.

It is figures like these which led Dr. John R. Dunning, dean of the Columbia University School of Engineering to say, "We have almost lost the battle for scientific manpower."

One of the major factors in this discouraging situation was discussed by Ben H. Bagdikian in one of a series of important articles which appeared recently in the Evening Star, Washington, D. C. The article was titled "Supersecrecy Slows Advance of Science." It is included here together with an article by Dr. Benjamin Fine, education editor of the New York Times.

I have introduced in the House a companion measure to the resolution offered in the Senate by Senator HUBERT HUMPHREY and Senator JOHN STENNIS. This resolution would establish a special com-

mission on Government security. I am pleased to note that the creation of such a bipartisan commission was unanimously backed recently by a Senate subcommittee even though the administration so far has turned a cold shoulder to the plan.

The commission plan provided in this measure of mine has been urged by many of the country's leaders during the past 3 or 4 years. It is high time that the Congress moved to create such an impartial body and I am sure the country will heartily back the two-party inquiry when it is established.

It is a matter of the most serious national importance when, as a 1954 poll showed, half of all new Ph. D.'s say they would prefer a lower salary to going through the present uncertainties of security practices. The 1954 poll showed also that the 33 percent of Ph. D.'s who wanted to work for the Government had dropped to 8 percent and gave the chief reason as the present security program of the Federal Government. If the bipartisan commission, when it is established, will come to grips with this problem we may still win the "battle for scientific manpower."

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

CRITICAL SHORTAGE OF TECHNICALLY TRAINED AMERICANS IS CAUSING MUCH CONCERN

(By Benjamin Fine)

This country faces a severe shortage of engineers and technically trained personnel. The critical nature of the shortage was emphasized last week by Allen W. Dulles, Director of the Central Intelligence Agency. Speaking before the Alumni Federation of Columbia University, Mr. Dulles said that in the decade from 1950 to 1960, the Soviet Union would graduate 1,200,000 scientists and engineers, compared to 900,000 in the United States. And he warned that unless something was done at once, Soviet scientific manpower might well outnumber ours in many key areas.

This month, for example, just about 20,000 engineers will be graduated from American colleges and universities. At the same time, the Soviet Union will graduate more than 55,000. In addition, Russia will graduate far more men in the subprofessional fields of engineering, in the "technical" areas that are so vital in a technological age.

For a long time we boasted that our engineers had greater technical know-how, and were superior in every way to those coming from the Soviet Union. However, experts who have studied the problem say this is no longer true. The caliber of training received by the Russian engineers is rapidly approaching ours, and in some respects may even surpass it.

CHANGES SINCE THE WAR

What is the cause of the engineer shortage? There is no simple answer. Some educators say that the Government itself is to blame. Soon after World War II, when the veterans began to flood the college campuses, the engineering courses became extremely popular. Back in 1950 about 50,000 men were graduated from the engineering colleges. Government-sponsored reports at that time, said that this was too large a number, that our economy could not absorb them. Many engineers could not find jobs.

Then came Korea, and the frenzied attempt to build up our defense establishment in a hurry. We found that we did not have enough engineers or technically trained men to go around. The civilian economy, plus the military needs, absorbed them faster than schools could turn them out.

Other factors entered the picture. The draft took away many potential engineers. The colleges found that it was difficult for them to compete with industry for well-trained faculty members. Somehow, an interest in engineering dipped to a new low, despite the great interest in all things of a technical nature, such as jet planes, atomic weapons and scientific developments.

TO MEET THE PROBLEM

From the long-range point of view, educators are greatly disturbed at the sharp decline in interest in the sciences by high school students. Figures issued recently by the United States Office of Education show that proportionately fewer students now take courses in chemistry, physics, science and mathematics than ever before. More than half the high schools in the country do not even offer chemistry today.

Educators are seriously concerned at the apparent indifference to the engineering and scientific fields shown by college students and high school graduates. At recent conferences, some called for this very purpose, they have proposed certain steps that might bring the situation into better balance.

Among the most frequently mentioned proposals are these:

The creation of a Reserve Officers Training Corps in the fields of engineering and science. At present the campuses support these corps in the various branches of the Army, in the Navy and Air Force. It is known that the Pentagon has under consideration an extension of these programs, to include ROTC units devoted to engineering and scientific students. Under this plan, if approved, the military officials would provide financial support to qualified students in the technical fields. The suggested program appears to have considerable merit. Certainly it would aid those who are interested in the scientific fields but, for financial reasons, are unable to continue in this area.

ENGINEERING SCHOLARSHIPS

Scholarships for engineering and scientific students have been frequently suggested. In effect, the State or Federal Government would "subsidize" potential science or technical students. It is costly to attend engineering schools. MIT, for example, has just announced that its tuition will be increased still further, and will go over the \$1,000 mark. Financial support, it has been argued, should go to liberal arts students as well as those in the fields of science. This question, at the moment, is receiving the thoughtful attention of the educational authorities.

Higher salaries for teachers of science and engineering are essential if the faculties are not to be depleted. Although it is true that higher salaries should go to all teachers generally, it is doubly essential in the case of the professors in engineering schools. The competition from industry is so severe that the top-notch men are being drawn off by research groups, the Government and private industry.

More adequate physical facilities are essential. The country needs more engineering laboratories more scientific equipment, better working conditions for the scientific and engineering students.

AVOIDING THE DRAFT

It is also essential, the educators almost unanimously agree, that a more realistic attitude be taken toward the question of selective service. Many complaints have been registered in recent months that scientific and engineering students have been drafted before they have completed their studies. This is particularly true, the educators say, concerning graduate students. They point to men who get half way through their graduate work in engineering, only to be called into service.

Finally, a better public relations program appears to be badly needed. The educators want their story told to the American public so that greater support will be forthcoming. It is not commonly known that the United States is falling behind the Soviet Union in the training and preparation of able scientists, engineers and technical personnel. The story should be told.

[From the Washington Evening Star of May 31, 1955]

WHAT PRICE SECURITY?—SUPERSECRECY SLOWS ADVANCE OF SCIENCE

(By Ben H. Bagdikian)

Today there is a physicist in a Government laboratory waiting to hear whether he is a "security risk" and therefore in danger of ending his professional career.

Six years ago he asked security officers whether his forthcoming marriage would affect his secret clearance. His fiancée had no security problem, but her parents occasionally associated with persons thought to be pro-Communists. The physicist planned never to see his in-laws after the wedding. The security officers assured him the marriage would not jeopardize his status.

Five years later the physicist suddenly had his clearance revoked. The charge: His wife's parents are believed to associate with alleged pro-Communists. The information against him was precisely that volunteered by himself and accepted by the Government. He has appealed at a cost to himself of about \$1,000 and approximately \$10,000 to the Government. He is still waiting for a decision.

Last year an aeronautical engineer who had worked for the Government for 14 years was suspended from his top secret project in Seattle, putting him out of a job and all but stopping the urgent project. The charge involved information he had given the Government in 1940, which had been investigated and cleared at least twice since then. After 6 months he was restored. The personal cost of the appeal to him was \$3,242.83, to the Government, 6 months' loss of time on an important defense project.

These are the kinds of cases that today are causing America's best young scientists to fear Government work. In 1953 a poll of science Ph. D.'s graduating from research universities showed them equally divided on where they would like to work, one-third each in Government, industry, and universities. In 1954—after the investigation of Fort Monmouth and the case of Dr. J. Robert Oppenheimer—a poll of Ph. D.'s showed that the 33 percent who wanted to work for the Government had dropped to 8 percent. The chief reason given: security.

In fact, about half of all the new Ph. D.'s said they would prefer a lower salary to going through the present uncertainties of security practices.

The Nation cannot afford to discourage young scientists. At a time when its requirements for trained men were rising sharply, bachelor degrees in science have been dropping, 20 percent in 1950-51, another 25 percent the next year.

In 4 years all bachelor degrees in science and engineering have dropped from 80,000 to 34,000.

During this same period, Russia has been extolling the scholar and scientist and encouraging its best brains to go into research. In a few years, Russia will be graduating 80,000 engineers a year. Last year the United States graduated 19,000. And experts say it would be fatal to underestimate the growing quality of Russian engineers.

It is figures like these which led Dr. John R. Dunning, dean of the Columbia University School of Engineering, to say, "We have almost lost the battle for scientific manpower."

Similarly, the Government as a whole cannot afford to encourage public contempt of

highly trained, studious men, or "eggheads." The Federal establishment would collapse without them. Twenty percent of all Federal employees are of professional rank, most of them with graduate degrees. Another 37 percent are of top industrial skill. But while more than half are of top-grade talent, only 1 percent of Government workers get \$9,000 or more. The legal limit for civil service is \$14,500 a year. It is precisely in these badly needed skills that the Government cannot compete with private industry in attracting talent.

SECRECY HIT

Another factor in discouraging Government research is supersecrecy. It hampers not only the individual scientist, but at times the Government itself.

Recently, the Department of Defense completed a "secret" project. All that can be said of it is that it cost somewhere between \$10,000 and \$100,000 and took a number of senior scientists about a year to complete.

Unaware of the "secret" projects, some non-Government scientists in a university did exactly the same work and published their results. The published results were seen by scientists everywhere, who criticized and used them to improve their own projects and push to new horizons. This demonstrates a number of things:

(1) There is no such thing as a permanent secret of nature; (2) any scientific discovery is a link to the future which, if kept secret, stalls the next step but does not prevent others from creating their own links; and (3) safes, security officers, and generals do not create new weapons like atomic bombs or defenses against them; only the "eggheads" can do that.

Few scientists want abolition of secrecy in military research, but almost all make a distinction between tactical secrets (such as actual weapons designs, military plans, storage points of bombs, etc.) and secrets of nature (such as the basic information on matter which any scientist anywhere can work on).

NO ONE HAS MONOPOLY

The fact that no nation has a monopoly on research was demonstrated last year when fallout ash covered a Japanese fishing vessel after a hydrogen bomb test at Bikini. The Atomic Energy Commission has not revealed scientific data on fallout materials for fear it would tell something of materials in the bomb. But 4 months after Japanese scientists began their analysis of materials on the fishing vessels, they had published an open paper giving the elements involved, their proportions, and the amount of radioactivity in each—more information than the AEC has published to date.

Another facet of secrecy keeps scientific facts bottled up in sealed compartments, giving each scientist only the information he needs in his own work. This is sound military doctrine on secrets, but it can be fatal to scientific progress. Some of the greatest advances have come from men who saw information they did not need in their own work, or at least thought so. The telegraph was born, for example, because a physicist, Alessandro Volta, in 1778 discovered a mistaken interpretation by Luigi Galvani of Galvani's own work. Under today's Government secret research rules, Volta would never see Galvani's data and discovery of the error would have been delayed.

Today a secret-cleared AEC scientist in Los Alamos has a laboratory problem. A friend in an eastern university, also a secret-cleared AEC man doing AEC research thinks he has the answer but cannot question his friend because in his own project he has no need to know details of his friend's work at Los Alamos.

Security measures, as typified in the Walter-McCarran Immigration Act, also impede scientific progress which in the past had been aided by friendly foreign scientists.

Since enactment of the law about half of all foreign scientists applying have been forbidden to visit the United States. Some have contributed much to this country. Dr. Marcus Oliphant, of England, for example, gave information on radar during World War II which the United States said was "probably the most important single item of reverse lend-lease." Yet, under the McCarran Act, Oliphant was not permitted to attend a nonsecret conference here. Prof. E. B. Chain, of England, codiscoverer of penicillin, whose wartime collaboration saved hundreds of American soldiers, was not permitted to set foot on United States soil for a 3-day visit.

Of the 12 men who headed the Los Alamos atom bomb project, half were foreign born and thus of questionable clearance today. The leader, J. Robert Oppenheimer, was declared a security risk last year.

The combination of supersecrecy and distrust of scientists from friendly nations does not produce the strength which the United States depends on. This was only too clear in an incident during the building of the atomic submarine, the *Nautilus*.

At one time it was feared the sub would require extensive redesign because of sleeping-sickness paralysis of its atomic engine by accumulation of a chemical, xenon, whenever the engine stopped. The Government desperately needed basic information on the nature of xenon. A Canadian with top clearance in his native country's atomic project was brought to this country to do open research under an AEC grant.

COULDN'T GET CLEARANCE

Being a Canadian he could not get American clearance, a fact that did not bother anyone until it was discovered that he seemed to have discovered certain reactions and equations which might apply to the sleeping-sickness problem. But he could not be asked to apply his reactions to American data because he was not permitted to know the American data.

A fairly high-level conference was held in New York. An elaborate plan was devised to have the Canadian apply his reactions to some dummy figures, while concealing the true American figures. But at the last minute a nervous security officer dismissed the Canadian from the room, fearful that some secrets might be disclosed.

This left the American data secret and secure. But it also left them useless. Fortunately, the Canadian's data was recovered later and the sub did not have to be redesigned. No one knows in how many other instances we are not so lucky.

Bananas on Pikes Peak?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. HOSMER. Mr. Speaker, the Congress might as well appropriate money to grow bananas on Pikes Peak as to approve the Navaho irrigation project in New Mexico.

The Navaho project is a part of the proposed multi-billion-dollar upper Colorado River project.

The cost to the Nation's taxpayers of the Navaho project would be \$11,000 an

acre. Yes, that is right, \$11,000 per acre.

The project would grow agricultural products now supported by the taxpayers and in great surplus. Among these are grains, dairy products, and wool.

Address by Hon. Sam Rayburn on the Occasion of the 20th Anniversary of the Rural Electrification Administration of Atlanta, Ga., May 11, 1955

EXTENSION OF REMARKS

OF

HON. PRINCE H. PRESTON, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. PRESTON. Mr. Speaker, on May 11 more than 1,200 enthusiastic members of REA cooperatives assembled in Atlanta, Ga., to mark the 20th anniversary of that great progressive organization that has done so much to take the farmer out of the bondage of backbreaking toil.

Officials of the Georgia electric membership corporation, in casting about for the most able American to address this great anniversary celebration inevitably decided to invite the father of the legislation that created the Rural Electrification Administration, our beloved Speaker, the Honorable SAM RAYBURN.

Fortunately for the good people of Georgia, SAM RAYBURN decided to accept the invitation to deliver the address celebrating the 20th anniversary of the REA. This was a statewide meeting, but the eyes of REA members the country over were focused on Atlanta for this mammoth celebration.

It was my privilege to accompany our speaker to Atlanta for this occasion. Together with hundreds of my fellow Georgians, I thrilled to the message of Speaker RAYBURN as he described his fight to overcome the opposition to the establishment of this great farm cooperative organization. I shared the inspiration of his words as he told of the tremendous success of the REA both economically and in banishing darkness from the homes of rural America.

I know many would want to read the stirring words of Speaker RAYBURN on this splendid anniversary occasion, and I know many Members want to keep for their records his message to Americans, urban and rural, who look to his unparalleled wisdom and experience for guidance and counsel.

The Speaker's address follows:

Mr. Chairman, ladies and gentlemen, I am deeply honored to be here with you tonight. As author and sponsor of the Rural Electrification Act in the Congress of the United States, I would be less than frank if I did not tell you that I have a deep and abiding interest in your progress and welfare. On this 20th anniversary of the Rural Electrification Administration, please believe me when I say to you that it is a source of profound satisfaction to me that I was permit-

ted to take part in the creation of a movement and a program which has contributed so magnificently to the economic and cultural life of all Americans.

The miracles of Aladdin's lamp have virtually been transposed into the everyday life of the rural people of this Nation through the accomplishments of the REA program. A fair appraisal of these accomplishments during the past 20 years is convincing proof that your efforts and the work of your cooperatives is responsible for the greatest economic upsurge in the history of rural America.

And, let me say, here, now that the ultimate responsibility of the success of the program rested upon the shoulders of each of you who are the creators and organizers of the 1,000 rural electric cooperatives in this Nation. No segment of the population of any nation ever discharged its duties and responsibilities with more zeal and devotion than have you. Therefore, to you who have labored along the dusty roads, in the rich farmlands, and on the steep hillsides to sign up members by the light of a wood fire or a kerosene lamp goes the everlasting credit for the impetus given an agricultural movement which in two decades has contributed more to the agricultural industry than that industry has had contributed to it from all other sources since the founding of this Nation.

Although less than half of the farms of the Nation were served by electricity before World War II, today 95 percent, or more than 5 million, of our farms are electrified. In 1935, only 10.9 percent of those homes had electric service.

Fifty-five percent of the electrified farm homes of America are served by the 1,000 rural electric cooperatives which you represent.

During the debate on the floor of the House of Representatives while the Rural Electrification Act was being considered, many men wise in the financial world of this Nation argued eloquently that such a program was doomed to failure. Fears were expressed that even though the farmers and ranchers joined in such a movement, that they would certainly discontinue the service and refuse to pay their first monthly bill. Sincere though these men were, they could not have been more wrong. They reckoned without the spirit and determination of the people who form the backbone of this Nation—your actions have been even more convincing than were those of us who answered their arguments.

The repayment record of REA borrowers shows that only 14 of the 1,000 cooperatives are delinquent in their loan liquidation. This ratio of one-tenth of 1 percent is far below that shown by any bank loan record.

Approximately three-fourths of all rural electric cooperatives have made advance payments on their loans. In 1954, these advance payments totaled \$78.5 million. In 1953 the advance payments were \$62.5 million and in 1952, \$52.5 million represented the amount prepaid. It is obvious that year by year the cooperative repayments record is steadily improving.

To date, the Rural Electrification Administration has loaned to all of the electric cooperatives approximately \$2.5 billion. But that is not the interesting part of the story. Surveys made by the electrical industry show that for every dollar loaned to the cooperatives, the members of those cooperatives spend \$4 for electrical wiring and appliances. Conservative estimates from all sources available are that the farmers and ranchers have purchased in the neighborhood of \$15 billion worth of merchandise which they obviously could not have used without electricity.

Has this program spelled the doom of the privately owned electric industry? Certainly not. You have created and are daily creating new markets for these privately owned

companies. In 1954 alone, you purchased from these companies \$57 million worth of wholesale power, in order that you might serve your markets and customers through your network of 1,332,000 miles of electric wires.

At what price have the farmers and ranchers been able to receive this most valuable of all services? Today, electricity marketed by rural cooperatives and public-utility companies cost the average farmer approximately one-third less per kilowatt-hour than it did in 1940. By contrast, during this same period, feed prices advanced 225 percent, farm wages 400 percent, and farm machinery prices 100 percent. The rural market today is the largest user of electrical energy per average consumer by about 50 percent.

Surveys made this year reveal that more than 200 different services are performed on our farms and ranches by electricity. New equipment is constantly being designed and manufactured by the industries of this Nation to meet the ever-growing demand for rural homes and fields, for irrigation, milking, fertilization, incubating—for virtually every function which in the past has meant only back-bending and heart-breaking drudgery.

But these statistics are in a large sense only the cold entries in a dollar ledger, which reflect little of the contribution which your program has made in the life of our Nation.

We are today concerned with people throughout the world who are oppressed—oppressed economically, socially, and spiritually. In our own land we are confronted with these same problems to a lesser degree. Throughout all the ages, mankind has engaged in a never-ending struggle to emerge from the physical darkness of economic tyranny, and to pierce the dark shroud of cultural and spiritual blindness. Thomas Jefferson once said, "I have sworn on the altar of God everlasting hostility to every form of tyranny over the mind of man." It is self-evident that no man or race of men can achieve mental and spiritual freedom when chained too long in economic bondage.

It was in the spirit of Thomas Jefferson that your Government felt the least of its obligations was to provide a financial atmosphere whereby through your own efforts you might have hopes of emerging from the darkness which surrounded you and your children. You sought no charity, and you received none. You sought only opportunity for self-betterment. No responsive government could do less for its governed, and no government will long endure which does not provide hope for its people that one day they may achieve, with dignity, freedom of mind and soul and body.

On this 20th anniversary of the creation of your program, it is well to reflect upon your achievements, but it behooves us even more to pause and consider that relatively few people in all the lands of the world have little reason to hope that their lot will ever approach that which we now enjoy. In his wisdom, God gave man the power to forget—lest his struggles and unconquerable hardships would become unbearable. Likewise, we are prone to forget the hardships which we have overcome and the blessings which we enjoy. If I could leave you with but one thought today, it would be that you rededicate your mind and your energies to your program which has meant so much to so many people, and further, that you express your divine gratitude that you live in a land of hope and promise—a land where you might hope that your earthly span will be more bountiful through your own endeavors, and a land where you might fulfill the promise of eternal life as preached by the humble man who walked the shores of Galilee.

Inclusive Amendments to Refugee Relief Act Introduced

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. CELLER. Mr. Speaker, I have introduced a bill H. R. 6642, to amend the Refugee Relief Act of 1953, as amended. The bill as written by the administration—professedly following President Eisenhower's recommendations—and introduced in the House and the Senate contains provisions that are unrealistic and do not go far enough to insure that we achieve the humanitarian objectives of this legislation.

There is no provision to remove Mr. McLeod as administrator of the act. A change of law does not insure a change of heart, and Mr. McLeod's administration to date has been inept and frustrating.

My bill provides, in the main, as follows:

First. Increase of 15,000 in the number of authorized visas; inclusion, in addition to the NATO countries, Turkey, Sweden, Iran, and eligible refugees now residing in Spain and in the now highly disturbed areas of North Africa.

Second. Unused allotments of visas will be carried over to all categories in proportion to the original percentage set forth in the bill. If, after such allotments, there remain still unused visas, these shall be used to fill applications remaining unfilled on December 31, 1956.

Third. The administration of the Refugee Relief Act is taken away from the Bureau of Security and Consular Affairs and given to a full-time administrator within the Department of State.

Fourth. In addition to individual assurances, voluntary agency assurances for housing and employment will be acceptable.

Fifth. Distinction between refugees and escapees is withdrawn and only one category is established, to include those who escape from behind the Iron Curtain and refugees dating to World War II.

Sixth. The requirement for a 2-year security history is eliminated.

Seventh. The cutoff date for all reallocations of unused visas is moved forward to December 31, 1960.

Eighth. Under the present law, members of a family must all be admitted together or not at all. I have provided that members of the family need not all leave together but may be reunited at a later date.

Ninth. The affliction of tuberculosis will not render a member of a family ineligible if he submits to the safeguards to be established by the Attorney General and the public-health authorities.

These provisions follow closely the provisions of the bill introduced by Senator LEHMAN earlier in the session and the last two follow the suggestions contained in the President's message. We shall

have, then, both in the Senate and in the House, a bill designed to make the act effective, accomplish its purposes, and remove the impediments both in the law and in the person of the present Administrator. We have a bill that is workable, realistic, and humanitarian.

Federal Aid for Highway Construction

EXTENSION OF REMARKS

OF

HON. GORDON H. SCHERER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. SCHERER. Mr. Speaker, the House Public Works Committee has been considering legislation to modernize the Nation's highways. There seems to be universal agreement that modernization is needed if our transportation system is not to bog down.

The Senate has passed a bill which came before our committee just as we were concluding hearings on a bill before us.

I should like to point out some defects in the Senate bill.

The formula for distribution of funds to the States is based 50 percent on population and 50 percent upon the existing Federal-aid formula of one-third population, one-third mileage, and one-third area in each State.

This formula cannot result in the uniform development of an interstate system.

Under it, 31 States and the District of Columbia, as shown in the attached table, would not receive sufficient funds to meet their needs in a 10-year period. Eighteen others would receive more than is required to meet their needs. In the extreme case, New Jersey would not be able to complete its portion of the interstate system before the year 1998 even assuming that apportionments would be maintained after the 5-year life of the bill at the maximum rate authorized in the bill.

In contrast, the distribution formula proposed in H. R. 4260, the bill our committee has been considering, would provide for the distribution of the available funds in exact relation to the needs in all the States. The whole system would go ahead on a uniform basis with assurance that it would be completed within 10 years rather than 40 or more.

FINANCING

The Senate bill does not guarantee funds for the completion of the interstate system. Even if the present formula were corrected, the total funds made available by the Federal Government for this purpose would be \$7½ billion in 5 years on a 90-10 matching basis. Total needs are \$23 billion. While the bill says that it is the intent of Congress to complete the system at the earliest possible date, no further funds are provided.

Since the Senate bill provides for only 5 years' programing, the States cannot

properly plan their development of the entire system because they do not know whether or when sufficient funds will be made available. The effect would be that they would use these funds to do the most urgently needed spot-type work rather than developing an entire system.

H. R. 4260 provides a complete assurance of financing of the entire interstate system in 10 years through the provision of bonds on roughly a 95-5 matching basis. Further it takes the project out of the deficit-financing class through a provision that existing gasoline and diesel oil

taxes shall be used not only to amortize the bonding costs but also to continue other existing Federal-aid programs at least at current levels.

Under this bill, the improvement would be effective without large increases in taxes which the Senate bill requires unless the Government is to go further into debt.

Here is an authoritative table giving the comparison of interstate needs with approximate apportionment of interstate funds under 5-year program pursuant to the Senate bill.

Comparison of interstate needs with approximate apportionment of interstate funds under 5-year program pursuant to the Senate bill

State	Interstate needs (millions of dollars)	5-year total, Federal funds (millions of dollars)	Percent of needs	Interstate system mileage		
				Rural	Urban	Total
Alabama.....	\$365	\$159	44	790	114	904
Arizona.....	210	89	42	1,148	33	1,181
Arkansas.....	203	113	56	467	61	528
California.....	2,322	440	19	1,680	219	1,899
Colorado.....	156	104	67	1,628	33	661
Connecticut.....	555	74	13	158	109	267
Delaware.....	66	49	74	23	3	26
Florida.....	495	132	27	993	143	1,136
Georgia.....	700	182	26	996	108	1,104
Idaho.....	107	78	73	635	20	655
Illinois.....	1,065	365	34	1,283	265	1,548
Indiana.....	867	190	22	884	184	1,068
Iowa.....	276	160	58	632	65	697
Kansas.....	206	143	69	677	51	728
Kentucky.....	492	145	29	590	66	656
Louisiana.....	493	127	26	507	99	606
Maine.....	147	63	43	272	27	299
Maryland.....	434	92	21	204	66	270
Massachusetts.....	838	164	20	206	141	347
Michigan.....	1,296	278	21	849	136	985
Minnesota.....	483	176	36	750	106	856
Mississippi.....	246	124	50	608	76	684
Missouri.....	599	212	35	996	79	1,075
Montana.....	152	109	72	1,209	28	1,237
Nebraska.....	107	110	103	455	22	477
Nevada.....	73	81	111	529	11	540
New Hampshire.....	66	49	74	183	30	213
New Jersey.....	1,357	169	12	102	102	204
New Mexico.....	236	94	40	968	45	1,013
New York.....	1,336	548	41	740	305	1,045
North Carolina.....	247	198	80	627	87	714
North Dakota.....	107	87	81	496	21	517
Ohio.....	1,361	332	24	996	235	1,231
Oklahoma.....	377	140	37	747	62	809
Oregon.....	319	105	33	668	61	729
Pennsylvania.....	720	412	54	1,068	296	1,364
Rhode Island.....	123	49	40	21	26	47
South Carolina.....	183	105	57	694	55	749
South Dakota.....	95	91	96	503	17	520
Tennessee.....	380	166	44	958	80	1,038
Texas.....	872	446	51	2,487	283	2,770
Utah.....	238	75	32	659	57	716
Vermont.....	177	49	28	309	34	343
Virginia.....	569	156	27	796	112	908
Washington.....	468	124	26	507	86	593
West Virginia.....	259	92	36	179	42	221
Wisconsin.....	322	177	55	427	45	472
Wyoming.....	296	78	26	991	28	1,019
Hawaii.....						
District of Columbia.....	152	49	32		17	17
Puerto Rico.....						
Total.....	23,253	7,750	33	33,295	4,391	37,686

Our Merchant Marine

EXTENSION OF REMARKS

OF

HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. SHELLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

OUR MERCHANT MARINE

(Address by Hon. JOHN F. SHELLEY at American University Transportation Institute banquet, Washington, D. C., May 25, 1955)

Our merchant marine is an industry vital to the development of our foreign trade in

peacetime. In time of national emergency it is the means of joining our great productive capacity and our troops and allies overseas. Historically, in wartime, the word "our" when applied to our Armed Forces and merchant marine is proudly used by the general American public. During war the American public is made keenly aware of the heroic exploits of our Armed Forces and merchant marine assigned to the serious task of defending the freedom cherished by us and the free peoples of other democratic nations. Unfortunately, in peacetime many of our citizens as well as other nationals quickly forget the great accomplishments of our Army, Navy, Air Force, and merchant marine. In fact, up to pre-World War II it was common to hear such expressions as "only a bum joins the Army or Navy, and only a tramp or thief goes to sea as a merchant seaman." In times of peace the word "our"

as applied to our Armed Forces and merchant marine sharply shrinks to a relatively small nucleus of Americans who refuse to forget the painful lessons we had been taught in the past.

MERCHANT MARINE IN PEACE

In peacetime the average American has little interest in the complex multibillion dollar American export and import trade. Many of us realize that our export-import trade is essential to the development of our economy which permits us to enjoy our high standard of living. Too many of us accept the theory of natural world markets which fall into specific relationships without the exertion of efforts aimed at developing such world markets.

Few Americans realize the importance of American shipping agents in foreign ports. These agents are busy drumming up business which normally means the exporting of American farm products and manufactured commodities. In return for the exports, our ships carry to our shores the raw materials and finished commodities which are required to bolster our economy and raise our standard of living.

A recent study shows that in 1952, the exports of our automobile industry totaled nearly \$1 billion. One passenger car and truck out of every 20 manufactured in the United States was shipped to a foreign market.

The American merchant marine is extremely important to the agricultural segment of our economy. Annually we export approximately two-fifths of our wheat crop, more than a quarter of all the cotton and tobacco, and one-half of our rice crop. Other important agricultural exports are soybeans, barley, dried fruits, and such meat products as beef, pork, lard, and tallow. Over the last 10 years \$1 out of every \$8 of our farmers' income was realized by the export of his produce overseas.

A recent study revealed that annually there were 82,500,000 meals served to passengers and crew members aboard our merchant ships. The conclusion of that study is that these meals represent approximately \$55 million worth of food. Since American ships purchase their supplies in the American market, this means a substantial contribution to our farm economy.

It has been estimated that our American merchant marine consumes approximately 3 million electric light bulbs a year. It also consumes over 9 million bars of soap a year. Taking into consideration American ships' purchases of such items as linen, glassware, dishes, washing machines, etc., it is evident that our merchant marine affects almost every segment of our domestic economy. Some critics state that even if our ships were swept off the high seas, foreign merchant ships would purchase the above-mentioned items in the American market. This is not true. We know that foreign merchant ships purchase their supplies in their home markets or in world markets other than the United States. The main exception has been during austerity periods in the world when foreign merchant ships were compelled to purchase their supplies in the American market.

Many American shippers utilize foreign merchant marines because they believe that it results in great savings. This is untrue for general cargoes which are carried aboard berth liners. Foreign and American berth liners are members of conferences which establish uniform shipping rates for all ships regardless of flag. In this field it is obvious that the shipping industry must conduct a public relations program designed to convince the American shipper to utilize American-flag ships. This would result in the desirable equalization of the policies and practices of foreign shippers who utilize ships flying the flag other than their national flag

only when their ships are definitely not available.

One of the greatest reasons for permitting the American merchant marine to wither in time of peace is the false belief that we can rely upon the merchant ships of our allies in time of war. This theory has been and is accepted by many despite the fact that it has been disproved during every major war.

MERCHANT MARINE IN WAR World War I

Prior to World War I, the United States, leaning heavily on the false theory of reliance on foreign-flag shipping, permitted our merchant marine to shrink to the point where we were carrying less than 10 percent of our export and import trade. At the outbreak of the war in 1914, the myth exploded and our foreign and domestic economy nearly collapsed. We were trapped in the untenable position of being a neutral productive giant without ships to transport our agricultural and manufactured commodities overseas and to import the raw materials required to keep our production machinery in gear. The piers and warehouses in our American ports looked like garbage dumps and junkyards heaped high with rotting farm produce and rusting manufactured commodities.

In August 1913, we exported 257,172 bales of cotton. One year later in August 1914, only 21,219 bales of cotton were exported. During the last 5 months of the first year of World War I, the price of cotton tumbled from \$62.50 a bale to \$36.25.

The foreign shipowners who sent a few ships to service our trade became wealthy overnight. After the war had flared into its full violence, the average rate on general cargo increased over 1,000 percent. Shipping profits from one voyage often paid the entire cost of the ship.

Our Government spent over \$3 billion in acquiring an American-flag merchant marine that was adequate to service the war needs of our Nation. We came out of World War I with 2,547 low-quality merchant ships which were purchased or built in a hurry.

President Woodrow Wilson, in his third annual message to Congress given in May 1915, warned Congress that we must maintain an adequate peacetime merchant marine in order to be prepared to meet world aggression. He stated:

"It is high time we repaired our mistake and resumed our commercial independence on the seas. For it is a question of independence. If other nations go to war or seek to hamper each other's commerce, our merchants it seems are at their mercy, to do with as they please. We must use their ships, and use them as they determine. We have not ships enough of our own. We cannot handle our own commerce on the seas. Our independence is provincial and is only on land and within our own borders."

Despite the knowledge that the lack of an adequate American-flag merchant marine prolonged a terrible war with the resultant cost of many thousands of lives, the end of the war saw the virtual end of our merchant marine. Our ships were stuck in the mud to become rust buckets.

World War II

At the outbreak of World War II on September 1, 1939, the United States merchant marine consisted of only 1,379 seagoing ships of 1,000 gross tons and over. At this time the total world tonnage was 80 million deadweight tons of which Britain and France controlled approximately 27 million tons. A great proportion of the remaining tonnage was under the control of neutral nations which were friendly to the Allies. German submarine warfare, especially at the beginning of the war, was extremely effective. During the entire war the losses of allied shipping totaled over 36 million deadweight

tons. Of this tonnage 733 were American merchant ships aggregating almost 7 million deadweight tons.

In order to service our Nation and our allies, the United States embarked on the biggest shipbuilding program in history. We constructed over 5,000 merchant ships, aggregating more than 54 million deadweight tons. Approximately 10 percent of our new ships were made available for the operation by our allies with the remainder flying the American flag. In turn, our allies made available to us only 715,000 gross tons. This exploded the theory of our pre-World War II experts who had claimed that in the event of war the United States would require only 1,200 merchant ships because our allies could adequately service the free world.

During the war, American merchant ships delivered almost 300 million long tons of dry and liquid cargoes. During the last year of the war, our merchant ships delivered an average of 8,500 tons of cargo every hour of every day and night. The successful American shipbuilding and ship-operating programs enabled the Allied armed forces to meet and defeat the Fascist aggressors.

The total American cost of the shipbuilding and ship-operating program during World War II totaled over \$22.5 billion. Of this staggering amount, \$12.5 billion was for shipbuilding and the remainder for ship operating. Unfortunately, in our haste to build an adequate wartime merchant marine, we were compelled to construct the relatively simple design and slow-speed Liberty-type dry-cargo and tanker ships. Approximately three-fifths of all of our wartime ship construction were Liberty ships, which were obsolete on the drawing board. Had the Merchant Marine Act of 1936 been properly administered, we would have had a more adequate merchant marine to meet the initial war needs. This would have given us the time needed to design and construct more modern ships which would have been of greater commercial value in the postwar period. Also, it would have saved billions of the \$12.5 billion taxpayer dollars which were spent for a hasty but necessary emergency shipbuilding program. This is a good example of saving pennies in peacetime and, as a result, spending dollars in time of war.

Korean war

Immediately prior to the outbreak of the Korean war our active American merchant marine had shrunk to the approximate size it had been immediately pre-World War II. Again we were taught that we could fully rely only upon our own merchant ships in a national emergency. Fortunately, our Nation had placed a great number of our World War II ships in mothballs. We activated from 25 to 75 of these ships a month, up to the total of over 700 additional ships which were needed to service our troops overseas. During the Korean war, American merchant ships carried over 80 percent of the cargoes to the war theater. It is my opinion that if it had not been for our merchant marine we would have been driven out of Korea or compelled to engage in an all-out third world war.

Atomic age

Today, at the beginning of a possible third world war, our merchant marine has again shrunk to its pre-World War II and pre-Korean war size. There is some loose talk that a merchant marine will have little, if any, place in this atomic age. I sharply disagree with this dangerous kind of thinking. To begin with, we know that the Communist aggressors have been and are following a war strategy of nibbling away at the periphery of the spheres of influence of the free world. Examples of this strategy are Korea, Indochina, and at the present time the dangers over Formosa. In order to adequately meet this type of aggression, we need a large modern merchant marine flying the American flag. This strong belief of mine

was recently confirmed by Secretary of the Navy Charles Thomas. In a Maritime Day speech given 2 weeks ago before the Propeller Club of Washington, D. C., Secretary Thomas emphatically stated that it was absolutely essential to achieve and maintain an adequate American-flag merchant marine today. He strongly emphasized the fact that the atomic age does not make our merchant fleet obsolete.

50-50 fight

Last year we passed a law which provides that American bottoms shall carry at least 50 percent of our foreign-aid cargoes, cargoes financed by the United States Government or for the United States account, and cargoes financed by foreign currencies of which convertibility is guaranteed by the United States Government. Since Col. Arthur Syran, of the Foreign Operations Administration, has given you a 1-hour lecture on the transportation of our foreign-aid programs, I shall not go into the history or details of the so-called 50-50 concept. However, the most recent intensive attack by foreign shipping lobbyists and some foreign nations on the requirement that American bottoms carry 50 percent of our farm surplus products under Public Law 480 warrants special attention and comment.

Recently, several foreign nations have stated that unless the 50-50 provision is waived they would not accept American farm surplus commodities to be shipped under Public Law 480. They argue that these are commercial transactions which are paid for in foreign currencies guaranteed for convertibility by the United States Government. I challenge their definition of commercial transactions. To me, a commercial transaction is one in which one party receives a given commodity which is paid for with money or, in the case of barter, with other commodities. There the commercial transaction between the two parties ends. This is not the type of transaction which takes place under Public Law 480. Under this law, foreign nations who are able to pay for our farm surplus commodities receive those commodities and, in turn, are supposed to pay for them in their soft currencies. However, recently the Secretary of Agriculture reported that during the first year of Public Law 480 operation, 50.7 percent of the soft currencies received by the United States were directly contributory to overseas economies and were not reimbursable to the United States.

Recently, one foreign nation refused to accept \$7.7 million worth of our farm surplus commodities because of the 50-50 provision. In this particular case their currency was merely a bookkeeping entry. In return for the grain they were offered, they were to ship a given amount of their manufactured products to underdeveloped areas of the world. To me, it is amazing that a foreign government would classify such a transaction as a purely commercial one. In this particular case we send them grain and boost their industrial production which is sent as aid cargoes to the world's more unfortunate peoples. All we demand is that our depressed merchant marine carry 50 percent of the grain to the recipient nation.

Another foreign maritime nation refused to accept surplus American tobacco unless the 50-50 provision was waived. Our Nation compromised, compromised spelled g-a-v-e, to the point where we agreed to ship them \$15 million worth of surplus tobacco for which the foreign government would spend their currency to build housing which they would lease to the American Air Forces stationed in their country. The negotiators for that particular foreign nation quickly agreed that this was not a purely commercial transaction and, therefore, they were willing to permit American ships to carry 50 percent of the tobacco. Then an astounding thing happened. The foreign shipping lobbyists of that country immediately protested their

government's "bowing down to the American merchant marine." To my knowledge the agreement has not yet been signed by the representatives of that foreign nation.

The maneuverings of the foreign shipping lobbyists and their foreign governments are clear. They want our farm surplus commodities and they are satisfied with the terms of payment. However, they are hopeful that their temporary refusals to accept the farm commodities will cause the powerful American farm bloc to take action against their own American merchant marine.

Recently a spokesman for one of the farm organizations stated that by applying the 50-50 provision to the \$700 million available in Public Law 480, \$70 million would be paid to American shipowners. He stated that this would result in a correspondingly lower shipment of farm surplus commodities. This is absolutely not true.

Of the \$700 million worth of commodities to be shipped under Public Law 480, approximately 80 percent will be carried in berth liners. Since American and foreign berth liners operate under conference rates, the cost of shipment will be the same whether the cargoes are carried by American or foreign ships. Therefore, the only possible additional cost would be for the American tramp carriage of the 20 percent of the total exports under this program. It is estimated that the total freight money which would be paid to American and foreign tramp ships would be \$15.3 million. With the estimation that the freight rates of American tramps will be 25 percent higher than foreign tramps, it means that American tramps would receive \$8.5 million and the foreign tramps would receive \$6.8 million. The estimated difference for the entire program is \$1.7 million, or one-quarter of 1 percent of the cost of the commodities in the basic disposal program itself.

It is important to note that the so-called additional cost for using American tramps to carry 50 percent of the tramp cargoes is based on the assumption that foreign tramp rates would remain the same should we withdraw the American tramps from the market. However, being realistic, we know that as soon as we withdraw our tramp fleet the foreign tramp rates would rise and the so-called \$1.7 million saving would evaporate.

It has been estimated that the revenues to the American merchant marine resulting from the carriage of the surplus farm commodities under Public Law 480 would result in estimated disbursements of \$30 million within our domestic economy. These disbursements would create some 8,000 man-years of employment. Approximately 3,000 man-years of this employment would be direct employment of American merchant seamen who are now suffering from great unemployment. This contribution to our economy is an important one.

It has been estimated that the revenue received by American shipowners by the carriage of farm surplus commodities under Public Law 480 will result in a direct return of some \$9 million of taxes to the United States Treasury in the form of personal income taxes on wages and salaries and corporation taxes.

Another important potential saving may be realized by our Government via the recapture provision contained in the Merchant Marine Act of 1936. This provision enables the Government to recapture one-half of the profits of a subsidized shipowner which are over 10 percent of capital necessarily employed during the period of the operating subsidy contract up to the amount of the entire subsidy accrual. During the years 1948 through 1952, the estimated gross subsidy accrual is \$279,046,000 and the gross estimated recapture is \$80,141,000. This estimated recapture savings of over \$80 million is to a great extent due to the revenues the subsidized ship operators received under

50-50 legislation. I state that our Government makes a good investment when it ships cargoes aboard the subsidized ships.

CONCLUSION

In conclusion I wish to emphasize that the problems confronting our merchant marine are serious ones. During the few short days that you have been attending these informative lectures at this great university, you have been briefed on some of the major problems. I am hopeful that some of you now fall within the definition of the word "our" when we say "our merchant marine."

Your American Mission

EXTENSION OF REMARKS

OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. RIVERS. Mr. Speaker, Adm. A. W. Radford, immediately upon delivering the address at The Citadel on Saturday, June 4, boarded his plane and journeyed to East Lansing, Mich., where, on Sunday, June 5, he delivered the commencement address to the graduating class of Michigan State College. His subject was Your American Mission.

This was a great address and one fraught with advice every young man would do well to heed. We in the Congress could hearken to his timely remarks. Few men have the capacity to speak in everyday language of wisdom of which Admiral Radford is an enviable possessor. I want the Congress and the Nation to read this address:

YOUR AMERICAN MISSION

(Commencement address by Adm. Arthur Radford, Chairman of the Joint Chiefs of Staff, before Michigan State College, East Lansing, Mich., June 5, 1955)

Today as you graduate, you are about to take your new places in the world, or perhaps continue your education in some other institution of learning. You have been fortunate so far, for your formal education here has given you an excellent start in life. I am sure you recognize in truth that it is only a start—a commencement to a whole future.

Many years ago, longer than I care to remember, the big event of my graduation finally occurred. It was a very hot day. I was sitting there like you, and a commencement speaker was standing here in my place.

In fact, we had two commencement speakers that day at Annapolis, early in June 1916. One was the President of the United States, Woodrow Wilson; and the other was the Secretary of the Navy, Josephus Daniels.

Probably most of the matters discussed by these two eminent commencement speakers have been long since forgotten. But one idea they expressed in common that day, I have never forgotten. It stood the test of time so well that I would like to take this opportunity to pass it along to you. I want you to know about it. I hope you will remember it, and set your sights on the target right now.

I do not recall the exact words, but the idea was simply this: We who were about to be graduated in that class of 1916 had a special mission in life. Our mission, individually and collectively, was to be ready to defend our country and our freedom.

The emphasis was on that word "ready." We were to be ready to respond to any call our country might place upon us. We were to be ready to sustain the best traditions of our forefathers. We were to be ready to assume some of the responsibility and the accountability for our fundamental beliefs.

For we, too, had a share in this freedom. We were responsible and accountable for it, under God, to the American people.

You, too, should be ready. You should be ready to perform useful functions in your chosen careers. You should be ready to accept individual responsibility in accordance with your abilities and skills. And you should be ready to help defend our American way of life.

This is a mission which is applicable today to every American. As you progress along the paths of your chosen careers, you will see for yourselves there is no way of escaping this mission without surrendering the things you value most. It requires just plain common sense to figure out that things worth having are things worth defending.

Now, I realize that most commencement speakers are expected to admonish you to beware of the pitfalls in the world outside the college campus; or to exhort you how best to achieve success in the world market-places.

But I wish neither to admonish you nor to exhort you this afternoon. Instead, I hope to set forth briefly in clear-cut, unmistakable terms how important this mission in life is to you personally for your long-term future.

MEANING OF FREEDOM

In the early days of our United States, our Founding Fathers established the framework in which freedom could flourish. Those who conceived this Nation, and brought it to life, breathed into it a sense of mission—a sense of destiny—and of progress.

As representative government grew, these early Americans realized that our governmental processes would have to be free of dependence on the few, and rest on the informed cooperation and hard work of the majority. We rejected tyranny, and took up democracy. Thus our country and our history began to take on substance. We became in fact the living proof that freedom is the most worthwhile heritage of all.

What is freedom? What does it mean to you? Billions of words have been spoken about its concept. Entire books have been written about even a single phrase, such as: "Life, liberty, and the pursuit of happiness."

Actually, it is set forth best in the basic documents of our Nation. We commonly refer to it as "the American way." President Lincoln made a blueprint for it when he said: "A new nation, conceived in liberty and dedicated to the proposition that all men are created equal."

We also refer to freedom as "the rights of men." We hold certain truths to be self-evident: That to secure these rights of men, governments derive their just powers from the consent of the governed. You know about this, for you here at Michigan State College have been the recipients of the benefits of this heritage.

THREAT TO FREEDOM

But this is not a heritage which we are able to take for granted. Time after time, it has been challenged; and free men have had to join together like the minutemen of yesteryear, and fight to protect our liberty.

In the early part of this century, World War I came about as a challenge to this heritage of ours. I can recall very well the triumphant end of that war. There seemed no doubt then that not only was freedom our ideal, it was the most powerful and worthwhile concept of human life in history. As a matter of fact, it was a concept which had just been fully vindicated by the outcome of the war.

November 1918 was a great month all right. No one in that hour of triumph could have believed that fascism and nazism soon would threaten us. No one could have believed that communism would become the ruthless and relentless menace which later would spread across half the world to plot our destruction.

But we can believe it now. We can see it, hear it, feel it, and know it. Today, we are threatened by a formidable and sinister adversary whose Communist doctrine specifies a program for world domination. The military threat of communism is a very real one since the Communist bloc maintains forces far in excess of that required for its own defense.

There has been, of course, a noticeable change in tactics on the part of the Communist high command. Symptoms of this change are the successful conclusion of the Austrian Treaty, and the apparent Soviet willingness to participate in Four-Power talks. But there has been no real indication so far that this represents a fundamental change, either in their character or in their basic long-term objectives.

Indeed, communism continues to be the major challenge to our way of life—yours and mine. Its impact bears directly on man's destiny. At issue is the true nature of man himself. It is a struggle which goes to the roots of the human spirit—a struggle we must not lose.

Where does it lead? What can the intelligent college graduate of 1955 do about it?

DEFENSE OF FREEDOM

For one thing, you can keep faith in your country and the freedom for which it stands; and be ready to defend it against all those who would overthrow it.

For you who are being graduated today, I wish I might have the power to instill in each of you a sense of the historic faith in this mission of America that has been handed down through the ages.

After you depart from this campus, you may encounter some individuals who will try to tell you that we live in a world which could be destroyed without notice. They may speak with voices that say we are like Rome was in its declining years. They may even try to tell you that our national values have decayed; that we have no great cause to guide our future history; and that it is futile to try to maintain feelings of true patriotism and self-sacrifice.

This leads, of course, to a newer version of an old saying: "Eat, drink, and be merry, for tomorrow we die."

But what if you do not die? Suppose you should live and face the consequences of not defending your freedom and your way of life with all that is in you—even your life if need be.

I suggest that if any of you young people ever think of betting your future on the world being destroyed, you better take a long look at the odds. These end-of-the-world predictions are not new. Archeologists find them chiseled on stone tablets thousands of years old.

In a similar vein, in our own country, men have been wringing their hands over the end of freedom ever since the days of George Washington. Perhaps this occurs when there is a lack of "can do" spirit in fulfilling our mission. Perhaps it comes from Communists themselves who would like us to think that communism is irresistible.

Regardless of where it comes from, or what the cause of it is, I can tell you that communism is not the irresistible force or the only way of the future. I can tell you that we are fortunate—and that we have a good cause.

I can also tell you that the United States, its institutions, its people, and its great progress are refutations of the Communist dogma. We are living proof that the assumptions on which communism is based are false. Our

free system is the complete antithesis of Communist dictatorship.

I can tell you all this but, in the final analysis, you must know it for yourself. You, individually and collectively, must be strong in your determination to preserve this Nation, and the freedom for which it stands. You must be stronger and more durable than the forces which would destroy us.

"We hold these truths * * *"—indeed we hold these noble truths right in our own hands. We hold them in trust. If we doubt our mission in the world, we probably will cease to progress. If America ever loses confidence in herself, we will retain the confidence of no one. We could even lose our chance to remain free.

Members of the graduating class: This is your commencement day. Your parents have looked forward to it almost from the day you were born, and they too are to be congratulated. It may be that you will find it difficult to appreciate fully what they have accomplished for you until you endeavor to do the same thing for your children. I am confident that all present here today congratulate them, and are proud of them as well as you.

Then your professors here are to be congratulated. It was no easy task for them to turn out a product such as we see before us in the class of 1955. The improvement, discipline, and cultivation of the youthful mind always is a goal worthy of man's finest efforts.

And now I return to you and me. It is my hope you always will keep with you your American mission in life, and realize how extremely practical and realistic it is.

Keep the defense of our freedom and our way of life first among your goals in life. Serve your country well. This may not be easy, but it will be a rewarding experience.

For the greatest place of honor is really the place of service.

Congratulations. Good luck. And God bless each of you and your families.

David Marcus

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. MULTER. Mr. Speaker, on June 9, 1948, 7 years ago today, a fine American, David Marcus, died fighting for Israel. He had a distinguished World War II record behind him, and a promising law practice ahead. But he dropped everything to answer the call and on the eve of victory, a few hours before the truce, his life ended.

Mickey Marcus, as he was known, had led a good life. An American soldier, trained and commissioned at West Point, he served 6 years as a deputy commissioner of correction in New York City under Mayor LaGuardia, and became full commissioner in 1940. With the coming of World War II, he left this career to return to his earlier one and entered the Civil Affairs Division of the Army. He became head of this division in 1943. During the war he saw action on many fronts, serving in the Pacific theater and the Normandy landing. V-E Day found him a full colonel and at this time he left the Army to reopen a law practice.

Then came a summons from Palestine. The new nation sought an experienced soldier with advanced professional training who could command the loyalty of its then undisciplined and unorganized guerrilla fighters. It was Col. Mickey Marcus who organized these guerrillas, supervised their training, and created the blueprint for the fighting Army of Israel. He then returned to Brooklyn, N. Y. But not for long, for he was to be called to Palestine once more—there to end his life.

He was mourned by Americans of all creeds—those who knew him as a soldier, lawyer, city official, or simply as a neighbor. Today fighting continues in Israel and I am sure that those fighting still remember the good American who came to help his coreligionists in their struggle for peace and freedom. May his soul rest in peace.

Public Opinion Sample of Fifth Congressional District of Wisconsin

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. REUSS. Mr. Speaker, I wish to announce the results of a sample I have taken of public opinion in the Fifth Congressional District of Wisconsin. I prepared this questionnaire with the help of public-opinion experts at Wisconsin State College, University of Wisconsin Extension, in Milwaukee, and Marquette University. The questionnaire reached 5,000 people in all walks of life in every ward and precinct of the Fifth District, a true cross section of the people I represent.

I am pleased to announce that 21 percent, or 1,058, of those receiving the questionnaire mailed me their replies before the deadline of May 25, and from these returns the results have been tabulated.

As the final question, I asked what worried people the most. The answer given showed that 30 percent were worried most about the possibility of another world war. Next, with 9 percent, were those worried about their own financial security and the cost of living. The third highest group was 7.8 percent, those worried about Government spending. Then came 2.6 percent worried about national defense and 2 percent worried about communism.

The questionnaire reflects the viewpoints of many occupational groups. The tabulated returns are from the following:

Factory workers.....	320
White-collar workers.....	278
Professional.....	155
Housewives.....	76
Businessmen.....	51
Students.....	48
Retired.....	45
Servicemen.....	32
Miscellaneous.....	53

Of the 21 percent answering the questionnaire, the following are the results:

1. Do you favor Federal appropriations to deepen the Lake Erie Channel so as to complete the St. Lawrence Seaway, permitting oceangoing vessels to enter Lake Michigan ports? Yes, 95 percent; no, 2 percent; don't know, 3 percent.

2. Do you favor tax reduction for families in low- and middle-income groups:

(a) Even though it will increase the Federal deficit? Yes, 53 percent; no, 42 percent; don't know, 5 percent.

(b) If the Government can make up for the loss in revenue by plugging tax loopholes? Yes, 89 percent; no, 6 percent; don't know, 5 percent.

3. At present the prices of natural gas you use in Milwaukee are regulated by Federal law at the source in Texas and Oklahoma. Are you in favor of a change in the law which would exempt natural-gas producers

from Federal regulation? Yes, 14 percent; no, 75 percent; don't know, 11 percent.

4. Do you think that widows should be eligible to receive social-security benefits at age 60 without waiting until 65? Yes, 88 percent; no, 9 percent; don't know, 3 percent.

5. Recently 17 first-term Congressmen made recommendations to President Eisenhower in regard to our foreign policy:

(a) The President should take steps to end the cold war deadlock by proposing a U. N. trusteeship and defense of Formosa. Approve, 60 percent; disapprove, 18 percent; no opinion, 22 percent.

(b) The President should ask Russia to withdraw to her original frontiers, which would free Poland, Czechoslovakia, and other enslaved countries and permit unification of Germany. In return for this withdrawal, Central Europe would be demilitarized so that it could not make aggressive war. Approve, 61 percent; disapprove, 23 percent; no opinion, 16 percent.

6. Do you favor the continuation of the reciprocal-trade program of lowering tariffs so as to increase exports and imports? Yes, 63 percent; no, 23 percent; don't know, 14 percent.

7. Do you favor Government assistance to companies and workers injured by foreign competition due to lowered tariffs? Yes, 35 percent; no, 47 percent; don't know, 18 percent.

8. Do you favor statehood for: Hawaii? Yes, 82 percent; no, 11 percent; don't know, 7 percent. Alaska? Yes, 83 percent; no, 11 percent; don't know, 6 percent.

9. Do you favor Federal financial aid to States for school construction? Yes, 76 percent; no, 20 percent; don't know, 4 percent.

Taken by occupational groups, the following chart shows how these groups voted on particular issues in the questionnaire:

	1. Deepen seaway channels			2a. Tax cuts—Even if deficit raised			2b. Tax cuts—If tax loopholes plugged			3. Exempt natural-gas producers from regulation			4. Social security for widows at 60			5a. U. N. trusteeship for Formosa		
	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Approve	Disapprove	Don't know
Factory workers.....	305	6	9	184	73	15	268	14	21	38	242	33	296	18	1	194	33	72
White collar.....	266	6	6	106	128	8	238	21	8	42	201	36	236	30	9	161	52	53
Professional.....	146	4	5	47	79	9	126	13	7	23	118	15	125	16	11	77	38	29
Housewives.....	68	3	5	32	26	5	62	4	5	10	51	14	68	3	4	35	13	19
Businessmen.....	50	0	1	30	12	2	41	0	2	11	38	2	47	3	1	22	7	14
Students.....	48	0	0	14	29	2	45	0	3	8	34	5	45	2	1	32	12	5
Retired.....	44	0	1	31	6	0	40	1	2	4	38	3	40	3	1	26	2	11
Servicemen.....	31	0	1	7	19	0	25	3	0	1	24	6	27	2	3	19	9	4
Miscellaneous.....	47	0	3	28	13	4	40	5	2	13	34	5	38	13	1	24	10	11

	5b. Russian withdrawal to historic borders, unified Germany, neutralized Central European Community			6. Continue reciprocal-trade program			7. Federal aid to companies injured by foreign competition			8a. Statehood for Hawaii			8b. Statehood for Alaska			9. Federal aid for school construction		
	Approve	Disapprove	Don't know	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know
Factory workers.....	211	40	54	174	83	55	146	95	66	276	26	25	271	18	20	259	39	15
White collar.....	156	70	36	181	59	30	72	157	42	232	30	15	231	30	17	201	69	5
Professional.....	73	55	22	112	29	9	33	85	25	125	19	11	132	15	8	105	47	3
Housewives.....	38	18	17	37	20	17	19	33	21	63	6	7	64	5	6	62	10	3
Businessmen.....	31	7	7	29	13	7	22	22	6	42	3	5	42	2	5	41	6	3
Students.....	21	21	4	37	5	5	11	27	8	35	10	3	33	11	3	36	8	4
Retired.....	37	1	4	26	9	7	24	15	5	39	0	5	37	1	5	33	8	2
Servicemen.....	18	7	5	23	6	3	6	21	4	22	9	1	20	12	0	24	7	1
Miscellaneous.....	28	14	10	29	15	7	22	25	3	35	13	3	29	15	2	31	17	4

Protecting Gas Consumers

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 7, 1955

Mr. RADWAN. Mr. Speaker, it was with considerable amazement that I read an editorial which appeared in the Washington Post and Times Herald on June 6 entitled "Speaking for the Consumer."

According to that editorial, the Federal Power Commission, an agency charged with certain regulatory duties, is ignoring its primary obligation to the American public. It was the Federal Power Commission that in the first instance took the position that it did not have the power to regulate the prices charged by natural gas producers, and for this reason it took no steps in that direction. However, the Supreme Court decided last year that the Federal

Power Commission does have such power and responsibility.

The editorial points out, "the FPC apparently is biding its time in the belief that it will be rescued by Congress." I think this is a pretty brazen attitude for the Federal Power Commission to take, because they most certainly have a duty to function under the law as written and as interpreted by the Supreme Court. Certainly they have no right to anticipate that Congress will modify the Supreme Court decision. It is passing strange that Congress should be taken for granted this way. Such an attitude on the part of the Federal Power Commission is an affront to the Congress.

To further quote from the editorial:

The FPC is charged with regulating the price of gas at the wellhead. But it is not effectively carrying out this duty since it has established no procedures and has acted more or less automatically in approving schedules submitted to it. It has thus set off a chain reaction that will cost consumers in this area millions of dollars. There is not the only interest at stake, but it is a primary interest, and the four utility commissions have performed a notable service

in bringing the matter forcefully to public attention.

Mr. Speaker, I am this day dispatching a letter to the Chairman of the Federal Power Commission demanding a full explanation in this matter.

Bananas on Pikes Peak?

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 7, 1955

Mr. HOSMER. Mr. Speaker, the Congress might as well appropriate money to grow bananas on Pikes Peak as to approve the La Barge irrigation project in Wyoming.

The La Barge project is a part of the proposed multibillion-dollar upper Colorado River project.

The cost to the Nation's taxpayers of the La Barge project would be \$1,250 an acre.

The project would grow agricultural products now supported by the taxpayers and in great surplus. Among these are grains, dairy products, and wool.

European Wheat Requirements

EXTENSION OF REMARKS

OF

HON. ANDREW F. SCHOEPPPEL

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 7, 1955

Mr. SCHOEPPPEL. Mr. President, I ask unanimous consent to have printed in the RECORD a paper entitled "European Wheat Requirements," which was presented by Dr. John A. Shellenberger at the Hutchinson meeting of the Kansas Wheat Improvement Association on May 27. Dr. Shellenberger is head of the flour and feed milling industries department of Kansas State College. He is also a consultant to the Grain Division of the Foreign Agricultural Service in connection with the world wheat quality survey.

I believe that Dr. Shellenberger, in the presentation of his paper, discusses some matters which are very important to the wheat-producing sections of the country, not only in my State, but in other States. He has sought to point out ways to deliver better wheat than we have been supplying for some of the export shipments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. LANGER. Mr. President, reserving the right to object, may I inquire who this gentleman is?

Mr. SCHOEPPPEL. He is the head of the flour and feed milling industries department of Kansas State Agricultural College. He has made a considerable study of wheat. He is also a consultant to the grain division of the Foreign Agricultural Service, in connection with the world wheat quality survey.

Mr. LANGER. Is he an expert on soft wheat, or hard wheat?

Mr. SCHOEPPPEL. He is an expert on all kinds of wheat.

Let me say to the distinguished Senator from North Dakota that if he will check up on the article which I am presenting for the RECORD, he will find it informative and productive of the development of a better quality of wheat for general use over the country. I heartily commend the article to the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

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

EUROPEAN WHEAT REQUIREMENTS
(By Dr. J. A. Shellenberger)

The feeling seems to prevail among wheat growers that surplus wheat, regardless of

quality, can be sold in foreign countries, particularly in Europe, if only a sufficient effort is made to create the market. That this is not true sometimes comes as a shock to the American farmer. It is often not realized that two wars in Europe within the span of a lifetime have brought about many profound changes in the thinking of people and in the policies of the governments of European nations. Having suffered through food privations as a result of war, the peoples and their governments have developed strong nationalistic tendencies to be as self-sufficient in food as the agricultural economy of the country will permit. This policy has been implemented by high price supports for agricultural products, especially wheat. Several European countries encourage the growing of wheat with support prices higher than these in the

United States. In fact more than 96 percent of the world's wheat crop today is produced and marketed under price supports or other forms of official incentive to grow more wheat.

A fact we must learn to accept is that governments encouraging the growing of wheat, plus favorable weather, has changed profoundly the older concepts regarding potentialities in Europe for the marketing of wheat. The situation can be illustrated effectively by comparing the 5-year average wheat production in several countries during the period 1935-39 with the 5-year period from 1945-49. France, Germany, and Sweden all produced much less wheat during the period 1945-49 than during the period 1935-39 but Switzerland increased production slightly. The specific increases are shown in this table:

Wheat production

	Average, 1935-39	Average, 1945-49	1954	Increase
	Bushels	Bushels	Bushels	Percent
France.....	286,505,000	238,200,000	386,500,000	62
Germany (Western).....	92,400,000	67,420,000	105,600,000	57
Sweden.....	25,351,000	23,222,000	37,870,000	63
Switzerland.....	6,050,000	7,800,000	9,370,000	20

However, the 1954 wheat harvest in France was 62 percent above the average production for the 5-year period 1945-49; for Germany the same comparison shows an increase of 57 percent; Sweden 63 percent, and Switzerland 20 percent. It becomes obvious that Europe is not dependent to the same extent as previously upon the importation of wheat. Thus market potentialities have been reduced. But most of the wheat produced in Europe is soft wheat; therefore, there continues to be a market for strong type wheats.

There are two important aspects in the European market for wheat that need to be reemphasized, first, the large increase in the production of wheat and, second, the need for the importation of strong wheats to blend with the locally grown wheats to produce satisfactory flour for bread production. Thus there is a market for United States wheat, if the price is right and the quality satisfactory. It is in regard to the quality of our wheat exports that your special attention is directed.

The United States Department of Agriculture through its Foreign Agricultural Service has worked hard to develop markets for wheat in foreign countries. To be competitive in a market it is essential, among other things, to know the caliber of your competition with respect to price and the quality of the merchandise. To obtain factual information on the quality of wheat imported into northern European countries the Foreign Agricultural Service has arranged to obtain samples from cargoes of wheat as the ships arrive at the ports and for the determination in the United States of the complete grading, chemical analysis, baking, and physical dough determinations of the samples. I have had the pleasure of being associated with this project and I thought you might like to have some advance information on the tests being performed and the results obtained. It is expected that approximately 136 samples will be received from various importing countries during the sampling period extending through the months of February, March, and April of this year. The evaluation work on the samples will be completed by June 30 and full details will be available later from the Foreign Agricultural Service, USDA.

It is common knowledge that dissatisfaction has been expressed in Europe with the quality of some of the wheat shipments originating from the United States. Usually the grain trade rates Canadian and Argentine wheats as being stronger and more sat-

isfactory than shipments from the United States. The opinion prevails, in some quarters of Europe, that only the poorer quality wheats are delivered to port terminals for export. It is therefore important to learn what quality of wheat is reaching Europe from the United States and how these shipments compare in quality with cargoes from other countries.

Foreign buyers of United States wheats often complain that our system of grain grades and standards is inadequate or misleading insofar as describing the milling and baking quality to be expected from wheat of a particular grade and market class. FAS has prepared material for our agricultural attachés which explains the significance of our grain standards. Unfortunately for us, the only other important wheat exporter using numerical grades is Canada. The coincidence of wheat of comparatively uniform baking value, and somewhat more rigorous grade specifications for damage and foreign material, makes a Canadian No. 1 or No. 2 an appreciably more valuable wheat than our No. 1 or No. 2. The Canadians enjoy another advantage in that the average protein of their exportable surplus will range between 12 and 13 percent, whereas a special contract specification is required to insure the delivery of such protein wheat from the United States.

Our system of official grades, on the other hand, is much more informative to a buyer than is the system of f. a. s. deliveries under which much of the European imports are purchased. In countries that do not have a grading system, admixtures of Durum with White and Hard and Soft Winter wheats are often encountered as well as high amounts of shrunken or broken kernels, foreign seeds, and also stones.

The application of our grading system to some of the wheat shipments arriving in Europe from other countries would be an improvement because the grading and classification of the wheat would provide much helpful information regarding the characteristics of the shipment prior to its arrival. Thus the situation prevails whereby the application of our grading system helps our Nation to deliver better wheat than that which originates from some other exporting countries. But our system is not functioning as effectively as would be desirable for the delivery of wheat of a quality competitive with that which is being delivered by other exporters, particularly Canada.

The majority of the wheat shipments from the United States arriving in the Northern European countries during the period February-April 1955 graded Soft Red Winter. Comparing the hard wheat shipments from the United States which graded Dark Hard or Hard Winter or Dark Northern or Northern Spring with the wheat shipments from some of the other exporters, it is understandable why our hard wheats are not in greater demand. We are supplying, on the average, hard wheats of slightly lower test weight and protein content than are obtainable from some of the other exporting countries. The flours from the United States wheats have a lower absorption and produce smaller loaf volumes than do the flours milled from important competing hard wheats. In other words, even the hard wheat shipments from the United States are surpassed in strength and in desirability by the wheats delivered by some of the other exporters.

A partial solution can be effected as a result of the efforts of our foreign representatives to explain the quality characteristics of our market classes. There is no doubt, however, about the need for improving the quality of our bread wheat exports to Europe. We can take pride in the fact that we are supplying better wheat to Europe than that grown locally or delivered from some other countries, but generally the fact seems to be that wheat exported from the United States is less satisfactory for bread-making purposes than that obtainable elsewhere.

A way must be found to deliver better wheat than we have been supplying for export shipments, if we desire to meet the competition in Europe. Wheat production throughout Europe is on the increase. The wheat produced is predominantly soft and hence hard wheat is required to blend with it for the production of bread flour.

Mechanization of the baking industry is on the increase in Europe. This trend will increase the requirements for stronger wheat. It is an inescapable fact that a means must be found whereby wheat of better quality is made available for export. This means that farmers must give more serious consideration than ever before to the strength characteristics of the wheat grown. It also means that every effort should be made by all segments of the wheat industry, including Federal and State agencies, to work collectively to develop and grow better wheat, to prevent the debasement of good wheat by admixtures of poor quality wheat or foreign material, and to segregate wheat on the basis of protein, variety, and baking quality considerations.

There is no hungry Europe ready and willing to take whatever quality wheat we may wish to dispose of and all indications are that the demands for strong, good quality wheat will increase rather than decrease in the years ahead.

Bananas on Pike's Peak?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. HOSMER. Mr. Speaker, if Congress approves the multibillion dollar upper Colorado River project, it would not quite grow bananas on Pike's Peak, but the taxpayers in each of 13 States would pay more for the project as now

planned than all four of the States that benefit from it put together:

States that would benefit from project:	What taxpayers would pay
Colorado.....	\$36,400,000
New Mexico.....	15,200,000
Utah.....	16,000,000
Wyoming.....	8,000,000
Total.....	\$75,600,000

The taxpayers in these 13 States would pay:

Massachusetts.....	\$127,600,000
Maryland.....	102,400,000
Pennsylvania.....	277,600,000
Texas.....	194,400,000
Illinois.....	276,000,000
Michigan.....	196,400,000
California.....	372,800,000
New Jersey.....	144,000,000
New York.....	493,600,000
Ohio.....	236,000,000
Missouri.....	100,000,000
Indiana.....	102,400,000
Wisconsin.....	88,000,000

Twenty-eight States each would pay more than the State of Colorado.

Thirty-seven States would pay more than the State of Utah.

Thirty-nine States would pay more than the State of New Mexico.

Forty-one States would pay more than the State of Wyoming.

The Congress might as well appropriate money to grow bananas on Pike's Peak as to approve the upper Colorado River project.

Available Aluminum Supplies for Industrial Use

EXTENSION OF REMARKS

OF

HON. W. KERR SCOTT

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 7, 1955

Mr. SCOTT. Mr. President, at the request of the senior Senator from Montana [Mr. MURRAY], I ask unanimous consent that an exchange of correspondence between his office and the Director of the Office of Defense Mobilization, Attorney General Herbert Brownell, Jr., and Representative SIDNEY R. YATES, of Illinois, relating to available aluminum supplies for industrial use, be printed in the Record of today.

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

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., May 24, 1955.
Hon. JAMES E. MURRAY,
United States Senate,
Washington, D. C.

DEAR SENATOR MURRAY: This will acknowledge your letter of May 3, 1955. You 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, has the Office of Defense Mobilization protected the rights and interests of the nonintegrated aluminum users by guaranteeing that the additional aluminum available for industrial use as a result of the cancellation of proposed stockpile

purchases will be made available for sale to them by the primary producers.

The reply to your question is that no directive was issued by the Office of Defense Mobilization for the reason that in the opinion of my general counsel the rights of the nonintegrated users are set forth very clearly in existing contracts between the producers and the Government.

As you pointed out in your letter, the guaranteed market contracts between the Government and the primary aluminum producers provide that two-thirds of the production of primary aluminum covered by the contracts, less the quantities purchased by the Government, must be made available by the primary producers for sale to the nonintegrated users.

Accordingly, when the Office of Defense Mobilization directed the General Services Administration to reduce its acquisition of aluminum for the stockpile by 150 million pounds in the first 6 months of 1955, the primary producers were obligated by contract to make additional aluminum available to the nonintegrated users unless deliveries already arranged were sufficiently in excess of contract obligations as to cover the increment.

In carrying out its responsibilities for administering procurement contracts, the General Services Administration receives periodic reports as to the distribution of all aluminum produced in facilities covered by the guaranteed marketing contracts to assure that nonintegrated users receive the amount of aluminum which the primary producers are contractually obligated to deliver to them. Thus far it appears that the primary producers have provided nonintegrated users with primary aluminum in amounts in excess of those called for by the contracts.

Sincerely yours,

ARTHUR S. FLEMMING,
Director.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
June 6, 1955.

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

DEAR Mr. FLEMMING: Senator MURRAY is in Geneva, Switzerland, attending an international conference as United States delegate, and I have communicated with him about your letter of May 24 in answer to his of May 3. We have now exchanged five letters on the current primary aluminum shortage for independent users and your recent order deferring aluminum shipments to the stockpile. The Senator recognizes that you have only recently received his latest letter. However, he considers that your answers to date have been unseemly brief and almost totally nonresponsive.

In his initial letter to you dated April 1 he pointed out that a deception was perpetrated in the writing of the Government guaranteed marketing contracts. This resulted in a travesty on the original intent of these contracts which sought in part to assure additional supplies of primary aluminum for nonintegrated users. Your failure to comment on this statement leads him to believe that you share this view.

You provide no answer to question No. 1 of Senator MURRAY's April 1 letter which asked whether the Government knows if the provisions of the guaranteed marketing contracts are being carried out by the primary producers. He assumes, therefore, that you do not know whether these provisions are being enforced.

You indicated, in answer to question No. 2, that the General Services Administration is responsible for administering the guaranteed marketing contracts. Senator MURRAY wants to know who in GSA determines policy matters concerning equitable distribution of aluminum under these contracts.

In answer to the Senator's question No. 3 of April 1 regarding steps taken by GSA to assure equitable distribution of aluminum under the contracts and in answer to his question of May 3 asking specifically what directive action ODM took to protect the rights and interests of the nonintegrated aluminum users, you indicate that no directive was issued because, in the opinion of your general counsel, "the rights of the nonintegrated users are set forth very clearly in existing contracts between the producers and the Government."

The testimony of the three primary producers on Tuesday and Wednesday of this week, May 24 and 25, before House Small Business Subcommittee No. 3 belies the clarity which you contend exists in these contracts. Each of these primary producers appears to have a separate and different view of the rights of the nonintegrated users under these contracts.

Mr. Richard S. Reynolds, Jr., president of the Reynolds Metals Co., told the subcommittee: "Our primary reason for producing pig was to provide our own fabricating plants with raw material." He also told the subcommittee: "We are fabricators and merchants; we went into the business for that purpose, not to supply other people aluminum."

Reynolds does not consider itself a supplier of aluminum pig, notwithstanding requirements of the guaranteed marketing contracts that they sell primary aluminum to independent users. Has it been Reynolds' intention not to live up to their contracts with the Government?

In 1951 the same Mr. Reynolds, testifying before a subcommittee of the House Judiciary Committee studying monopoly in the aluminum industry, testified: "But let me point out we went into the aluminum production not to supply ingots; we went in as having a source of raw material for our own fabricating plants. We have fabricating plants that can fabricate twice as much aluminum as we can produce."

Either Reynolds' representation that it would supply aluminum to independent users under a guaranteed marketing contract was not true or the contract was given to Reynolds by the Government irrespective of Reynolds' disavowal of intention to live up to the contract.

The benefit of the Nation's credit was extended to Reynolds to support its own credit to enable the company to build facilities to produce additional primary aluminum. Either they obtained the benefits of Government aid by trick and device, or it was forced upon them by a Government agency that knew in advance that the company would not live up to the guaranteed marketing contract.

The general counsel of GSA, testifying before the House Small Business Subcommittee Number 3 on May 23, told the subcommittee the primary producers have a moral obligation to sell primary aluminum produced from facilities covered by these contracts to the nonintegrated users. Does this moral right flow from the contract?

In light of these varying versions of the obligations of the primary producers under these contracts, Senator MURRAY insists on having your counsel's views on the rights and obligations of all parties to the contracts. This should not be too difficult to detail if the contracts are as clear as your counsel tells you they are.

Irrespective of any revival of the third round of primary aluminum expansion which seems presaged by recent announcement in the press that two companies have made proposals to enter the primary production field, Senator MURRAY wants a prompt and detailed answer to all the foregoing.

Sincerely yours,

CHARLES A. MURRAY,
Administrative Assistant.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
June 6, 1955.

HON. HERBERT BROWNELL, Jr.,
United States Attorney General,
Department of Justice,
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: Senator MURRAY is in Geneva, Switzerland, attending an international conference as United States delegate, and so he has asked me to transmit to you a copy of a letter from Director Arthur S. Flemming of the Office of Defense Mobilization regarding the aluminum shortage for independent users and the reply which the Senator directed to be sent to Mr. Flemming.

Sincerely yours,

CHARLES A. MURRAY,
Administrative Assistant.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
June 6, 1955.

HON. SIDNEY R. YATES,
Chairman, Subcommittee No. 3,
Select Committee on Small Business,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN YATES: Senator MURRAY is in Geneva, Switzerland, attending an international conference as United States delegate, and in his absence I am acknowledging your letter of May 31.

I am sure the Senator will be pleased at your reaction to his letter of May 24 and that it will be inserted in the record of your proceedings.

Senator MURRAY has asked me to transmit to you a copy of Mr. Flemming's answer to his letter of May 3, together with our answer thereto.

With best regards, I am,

Sincerely yours,

CHARLES A. MURRAY,
Administrative Assistant.

Chester G. Hanson, of the Times, Retires

EXTENSION OF REMARKS
OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. HOSMER. Mr. Speaker, for many years anyone remotely connected with politics in southern California, on the local, State, or National levels, has known, respected, and loved "Chick" Hanson, political columnist and correspondent for the Los Angeles Times. In addition, his pithy style, accurate reporting, and the philosophical musing which sometimes crept into his writing endeared him to millions of readers.

"Chick," whose formal byline identifies him as Chester G. Hanson, is retiring from service with the Times after having served with that newspaper since 1932. The passing of time has brought him up to the retirement age as inevitably as it brought this milestone to the lives of millions of others.

His thousands of friends have refused to let the event go uncelebrated. In fact, the lower house of the California Legislature not only passed unanimously a congratulatory resolution wishing Hanson good luck in the future, but

topped off this legislative kudo by singing "For he's a jolly good fellow" at the conclusion of their vote. Every member of the legislature, Democrat and Republican, joined in coauthorship of the resolution, which received similar speedy treatment in the California State Senate.

The resolution declared that while Hanson, as a reporter, often differed with legislators and politicians, he had "held the respect and affection of thousands of men and women in public life in California." It praised Hanson as a "student of government" as one who "during all his years had done an outstanding job of consistent, forthright, and objective reporting." The resolution closed with a "wish for many more years of happiness together for Chick and his wife Helen."

Certainly, all of us who serve from California in Washington echo this appreciation to a true and able friend and join in the good wishes for future happiness for him and his family.

Actual Cost of Reclamation Projects Below Cost Estimates

EXTENSION OF REMARKS
OF

HON. WAYNE N. ASPINALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. ASPINALL. Mr. Speaker, on numerous occasions recently in hearings before the House Committee on Interior and Insular Affairs and before this body statements have been made which leave the impression that the Bureau of Reclamation consistently underestimates the cost of its projects. In order to have accurate information on this matter I requested the Commissioner of Reclamation to furnish by Subcommittee on Irrigation and Reclamation a comparison of project final costs, or the presently estimated final costs in the case of projects not yet completed, with the original estimates of costs that were furnished the Congress at the time of authorization.

This information has been furnished for all Bureau of Reclamation projects which have been authorized and started since the end of World War II. The comparison demonstrates that the Bureau of Reclamation in recent years has been consistently conservative in its estimates of project costs. The study shows that the Bureau of Reclamation has built or is building all of the projects authorized and started since World War II at a cost of only about 4 percent above initial estimates as compared with an increase due to inflation alone of from 15 to 30 percent, depending upon the construction cost index used. Expressed in another way this means that the Bureau of Reclamation is building its overall program for 10 to 20 percent below the estimates made at the time of authorization if these estimates were adjusted to reflect the general rise in construction costs at the time of actual construction.

This study indicates, then, that in recent years the Bureau of Reclamation has an excellent record in estimating costs for reclamation projects.

In view of pending legislation on reclamation projects I am sure that my colleagues are interested in this information and I desire, therefore, to include the material and the letter of transmittal in the CONGRESSIONAL RECORD following these remarks:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., May 26, 1955.

HON. WAYNE N. ASPINALL,
House of Representatives,
Washington, D. C.

MY DEAR MR. ASPINALL: In compliance with your recent request, I am pleased to furnish you a comparison of the presently estimated costs of all Bureau of Reclamation projects which have been authorized and started since the end of World War II with the estimates of their cost that were furnished the Congress at the time of authorization. By including every one of the projects which has been authorized and started during this period, we avoid selecting only those projects which would present the best picture from the Bureau of Reclamation's point of view, and we also avoid doing what some of Reclamation's critics have done—selecting only certain projects which, without detailed explanation, would appear to show that Reclamation consistently underestimates costs. Actually, as the attached comparison demonstrates, Reclamation, in recent years, has been consistently conservative in the estimate of project costs.

The date selected as a cutoff point was the end of World War II, which gives us approximately a 10-year period which should be sufficient to demonstrate that the Reclamation administrators and engineers have been making good on the estimates which they furnish to the Congress and congressional committees when seeking the authorization of new projects.

With more research, the analysis could have been extended to cover a longer period and we are confident that such a larger study would result in equally favorable findings, if all pertinent factors were considered. However, to account adequately for pre-World War II cost estimates, we could be faced with endless argument, as in the past, not only on how to adjust for the general inflation, which would be relatively simple, but also on how to evaluate cost increases due to partial or complete shutdown because of the war and to justify changes in scope of the project which took place during the war period, when time was available for studying ways and means for improving and generally enlarging the project to meet increased needs at the later date of initial operation.

From time to time Congress has written into the appropriation acts provisions to the effect that current construction prices should be used. For example, the Interior Department Appropriation Act of 1950 provides "that no part of this appropriation shall be available for the preparation of any comprehensive plan or project report the construction estimates for which are not based upon current construction prices and costs. * * *". Similar language appeared in the appropriation acts of 1947, 1948, and 1949.

By such provisions it is clear that the Congress did not want the Bureau of Reclamation to make any guesses as to future trends in its project cost estimates.

Since the end of World War II the Bureau of Reclamation has had authorized and put under construction 27 projects, or new divisions of projects, the initial cost estimates for which at the time of authorization totaled \$506,232,898. If this amount is adjusted to reflect construction cost increases existing at the times when Federal invest-

ments were made, as computed by the Bureau of Reclamation, the initial estimates would be increased to \$581,124,900 on the basis of inflation alone. The Bureau of Reclamation cost index is based on periodic studies of current bids on the materials and labor that go into reclamation projects.

As a further check, our staff also adjusted the total initial estimates of \$506,232,898 to reflect the independent index of construction cost as published by the Engineering News-Record in the October 7, 1954, issue. This index is a composite of the cost of selected construction materials and common labor and does not, therefore, reflect fully all the categories of cost that enter into reclamation projects; for example, skilled labor. Based on the Engineering News-Record construction cost index adjustment, the initial Reclamation estimate would be increased to \$657,320,600. Of the 27 projects included in the analysis, 13 have been completed and the remaining 14 are well underway, ranging from 4 percent complete in the case of Glendo to 99 percent in the case of Cachuma. However, in the case of Glendo, although only a small amount of actual work has been done, the major construction contract on Glendo Dam has been awarded. The total cost to date of all of these 27 projects, plus the estimated cost of completion of those projects not yet completed, is \$526,833,790.

This study shows that Reclamation has built, or is building, all of the projects authorized and started since World War II, at a cost of only about 4 percent above initial estimates, as compared with an increase due to inflation alone of 15 percent based on the Bureau of Reclamation index and 30 percent based on the Engineering News-Record construction cost index as applied to the times during which the work was done.

Expressed in another way, Reclamation is building its overall program for 10 percent (based on the Bureau of Reclamation index) to 20 percent (based on the Engineering News-Record index) below the estimates made at the time of authorization, if these estimates were adjusted to reflect the general rise in construction costs at the time of actual construction.

There is enclosed a table showing the analysis of each of these 27 Reclamation projects. While it is true that changes in project scope and the individual makeup of any one project might cause a somewhat different conclusion for that one project than was reached by applying the general construction indexes to the initial cost, the special circumstances tend to offset each other in the consolidation of the entire program. Consequently, it is believed that the analysis of the entire new program since 1945, as outlined above, is a fair one.

In your use of this material, you may wish to use only one of the indexes in order to simplify the presentation. If you used the Bureau of Reclamation cost index, there would be a better correlation with some of the other analyses that have been prepared by this office on cost increases. On the other hand, if you used the construction-cost index of the independent non-Federal organization, such as the Engineering News-Record, you could better refute criticism that Reclamation had developed a special yardstick to make its estimates look favorable. As a matter of fact, Reclamation's cost-estimating record looks even more conservative when the Engineering News-Record index is used than when its own index is used.

Sincerely yours,

E. G. NIELSEN,
Acting Commissioner.

COMPARISON OF BUREAU OF RECLAMATION COST ESTIMATES OF ALL PROJECTS AUTHORIZED AND STARTED SINCE THE END OF WORLD WAR II

Since the end of World War II 27 reclamation projects have been authorized for con-

struction or rehabilitation. This program covers practically all types of construction performed by the Bureau of Reclamation including earthwork, canal construction, distribution system repair, concrete structures, major concrete dams, powerplants, and transmission lines. The total of the cost estimates of these projects at the time the work was authorized is \$506,232,898.

During the period these projects were authorized and placed under construction the cost of labor, materials, and other construction services has experienced a continual rise so that construction costs at the end of fiscal year 1954 or the beginning of fiscal year 1955, the latest date that cost data are available, are considerably greater than at the close of World War II. The composite construction cost index of the Bureau of Reclamation, which is based on periodic studies of current bids on materials and labor that go into concrete dams, power generating plants, power transmission systems, earth dams, canals, laterals, and drains shows this overall increase to be 1.40. By comparison, the index of construction costs published in the Engineering News-Record for October 7, 1954, which is based on costs of selected construction materials and common labor, shows this overall increase to be 1.98. The rise in costs during only a portion of this period for any particular project would be something less than 1.40 or 1.98, depending upon the date the project was authorized and the years when funds were spent on construction.

Therefore, if the estimated costs of reclamation projects and rehabilitation work which were authorized since World War II were adjusted in accord with the cost indexes and without taking into account any other factors which affect the estimates, such as unforeseen site conditions, change in project plan, or bids actually received, the cost of this work today would greatly exceed the estimates at the time the work was authorized. If, for instance, the unspent portion of the estimates of these projects had followed the construction cost index of the Engineering News-Record since the time the initial estimates were made, the total today of the estimates of construction in progress and actual cost of work completed would be \$657,320,600. Similarly, if the estimates of this work were based on the composite cost index of the Bureau of Reclamation the total would be \$581,124,900. Compared to these figures the total of the official fiscal year 1955 estimates for projects under construction and actual costs of completed work is \$526,833,790.

To date construction has been completed on 13 of the 27 projects and progress on the remaining 14 ranges from 4 percent of completion on Glendo to 99 percent on Cachuma. However, despite the fact that only 4 percent of the cost of Glendo has been spent, the major contract has been awarded, and the present estimate appears satisfactory. From the figures cited it is evident that for all of the projects authorized and started since World War II, the Bureau of Reclamation is completing the work at an estimated cost of 80 percent of what the initial estimate would have been if it had been adjusted to the index of the Engineering News-Record, or 90 percent of what the cost would have been if it had been adjusted to the Bureau of Reclamation composite index.

The attached tabulation shows for each project the estimated cost at the time the project was authorized, what the estimated cost would have been at the beginning of fiscal year 1955 if the uncosted portion of the initial estimate had followed the Engineering News-Record cost index and the Bureau of Reclamation composite index, respectively, and the official estimated cost or completed cost of the projects at the beginning of fiscal year 1955.

While, in general, the estimated costs of individual projects based on the construction cost indexes as shown in the tabulation are

higher today than the current official estimates, there are several instances where this does not occur. In the case of the Cachuma project, approximately \$15 million was added to the construction cost in addition to general price increases as a result of unforeseen and extremely unfavorable conditions encountered in excavation of the tunnel. The current estimate for the Eklutna project has greatly overrun the initial estimate adjusted to 1955 prices by virtue of the fact that the initial estimate was Reclamation's first job in Alaska and did not account sufficiently

for the higher construction costs prevalent in that area, nor include adequate provision for the type of construction contemplated. On the other hand, as a result of favorable bids and savings through modification in project plan, the current estimates for the Weber Basin, the Palisades project, and the Glendo unit are substantially less than the estimates at the time the projects were authorized and it is expected that these projects will be completed at a cost in accord with the current estimates with resultant savings to the Government.

Thus, considering the overall program which has been authorized and started since World War II, which includes the broad range of construction undertaken by this Bureau, and taking into account both the favorable and unfavorable circumstances where current or completed costs are compared to the initial estimates, it is seen that the Bureau of Reclamation is constructing these projects at a cost less than would be the case if all costs followed the general price trend during the same period.

Comparison of Bureau of Reclamation project cost estimates at time of authorization; adjusted to reflect subsequent changes in construction cost indexes; and current official estimate or completed cost

(This table covers all projects or separable divisions of projects which have been authorized for construction since World War II)

Project	Estimate at time of authorization			Initial estimate adjusted to date investment actually made ¹		Official estimated cost ² fiscal year 1955	Percent of construction completed June 30, 1955
	Date of authorization, fiscal year	Date of estimate, fiscal year	Amount of estimate	E. N. R. construction cost indexes	BuRec composite cost index		
Lewiston Orchards, Idaho.....	1947	1946	\$1,466,000	\$1,971,000	\$1,758,000	\$2,484,000	100
Paonia, Colo.....	1947	1947	\$3,030,000	4,383,000	3,866,000	6,677,000	30
Arnold Irrigation District, Oregon.....	1948	1947	220,000	272,000	257,500	206,000	100
Cachuma, California.....	1948	1947	32,310,000	46,458,000	40,428,000	43,816,000	99
Hayden Lake Unit, Rathdrum Prairie, Idaho.....	1948	1947	90,650	111,000	103,400	118,000	100
Kennewick Division, Yakima, Wash.....	1948	1947	10,736,000	17,000,000	14,470,000	13,760,000	69
Preston Bench, Idaho.....	1948	1948	453,000	463,000	461,700	450,000	100
Wellton-Mohawk Division, Gila, Ariz.....	1948	1946	24,376,948	42,489,000	33,149,000	39,940,000	86
Ochoco Dam Division, Deschutes, Oreg.....	1948	1948	1,500,000	1,644,000	1,592,000	849,000	100
Solano, Calif.....	1949	1948	45,577,000	63,783,000	54,882,000	47,111,000	21
American River Division, Central Valley, Calif.....	1950	1949	59,200,000	73,695,000	64,245,000	45,924,000	95
Fort Sumner, N. Mex.....	1950	1948	1,798,000	1,940,000	1,867,000	2,432,000	100
Grants Pass—Northwest Pipeline, Deschutes, Oreg.....	1950	1949	100,000	100,100	99,900	100,000	100
Middle Rio Grande, N. Mex.....	1950	1947	30,179,000	48,234,000	40,784,000	29,606,000	23
Weber Basin, Utah.....	1950	1949	69,534,000	88,968,000	77,168,000	65,362,000	22
Sacramento canals, Central Valley, Calif.....	1951	1951	54,396,000	62,167,000	63,117,000	57,762,000	6
Eklutna, Alaska.....	1951	1949	20,365,400	24,771,000	20,836,000	29,500,000	100
Alcoa powerplant, Kendrick, Wyo.....	1951	1951	6,377,000	6,888,000	7,143,000	6,428,100	100
North Side Pumping Division, Minidoka, Idaho.....	1951	1948	11,395,000	15,821,000	13,531,000	9,759,000	39
Palisades (present progress), Idaho.....	1951	1949	76,601,000	96,531,000	83,631,000	74,400,000	61
Vermejo, N. Mex.....	1951	1950	2,679,000	3,489,000	2,980,000	2,743,000	100
Savage Rapids Dam, Grants Pass, Oreg.....	1953	1952	678,000	722,000	705,000	713,490	100
Avondale, Idaho.....	1954	1953	221,100	230,000	224,100	277,000	100
Dalton Gardens, Idaho.....	1954	1953	267,800	277,500	271,300	270,200	100
Alamogordo Spillway, Carlsbad, N. Mex.....	1955	1954	1,526,000	1,526,000	1,526,000	1,526,000	20
Crescent Lake Dam, Oreg.....	1955	1953	297,000	310,000	302,000	320,000	80
Glendo unit, MRBP, Wyoming.....	1955	1953	50,859,000	53,077,000	51,727,000	44,300,000	4
Total.....			506,232,898	657,320,600	581,124,900	526,833,790	

¹ Amounts remaining to be invested adjusted to latest (ul. year (fiscal year) for which indexes are available.

² For completed projects, estimates shown are actual total costs.

³ Does not include cost of Minnesota unit which is now being considered for authorization as part of Paonia project.

A Bill To Provide Assistance to Communities, Industries, Business Enterprises, and Individuals To Facilitate Adjustments Made Necessary by the Trade Policy of the United States

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. DODD. Mr. Speaker, I have today introduced a bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States.

This proposal is identical to H. R. 229, which was introduced by our esteemed colleague, Mr. HARRISON WILLIAMS, of New Jersey.

I am introducing this bill today for the purpose of cosponsorship with Congressman WILLIAMS, of New Jersey.

I believe that this legislation if passed will do much to help develop world trade.

It will certainly help the people of the United States of America to make adjustments that will be necessary if we are to operate an effective reciprocal trade policy.

This trade adjustment bill would establish a Government-wide adjustment assistance board which would be empowered to step in when low tariffs under the reciprocal trade policy would endanger the American market. It would provide that if the President in the overall national interest disregards the escape clause or peril point findings of the Tariff Commission, he could at the same time authorize the Board to extend the following benefits to United States communities and industries which are hurt by the foreign competition.

First. The Government would finance technical assistance to companies and communities needing it, to encourage diversification. Engineers, market researchers, and other technicians would be financed for expert surveys out of Federal funds. Easier tax provisions for building new plants would be allowed and import firms would be encouraged to

enter such communities to stimulate new markets.

Second. Unemployment compensation assistance would be doubled. Under present law, jobless payments last for 26 weeks. Under the trade adjustment bill, this would be extended to 52 weeks.

Third. Older workers would be allowed to retire at the age of 60 instead of 65. In addition, counseling and placement and special training allowances would be allowed, coupled with special moving allowances for workers seeking employment in other areas and fields.

This legislation would, in my opinion, make the individual enterprise system even stronger than it now is, relative to totalitarian systems. It would go a long way toward dissipating unreasoning fear and, at the same time, would strengthen our own economy by bringing the economies of the other countries of the free world closer to ours. Unity here means economic strength. Economic strength makes spiritual courage and determination easier, and together with the military preparedness that is already under way, such strength can go a long way toward the creation of a truly strong free world.

The text of the bill is as follows:

A bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States

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

PURPOSE

SEC. 2. (a) It is recognized that the maintenance of a sound domestic economy and healthy international relations requires that the United States engage in trade among the free nations of the world. Further, the Reciprocal Trade Agreements Act of 1934 reflects the congressional desire that the President be authorized to negotiate with the other countries of the world with a view to lowering trade barriers. The Congress has also recognized, in enacting the peril point and escape clause provisions of the Trade Agreements Extension Act of 1951, that there are situations in which the reduction of trade barriers, although redounding to the benefit of the Nation as a whole, may have serious adverse effects on particular domestic industries. These provisions provide mechanisms for determining at what point reductions in trade barriers, either in prospect or already accomplished, will have such adverse effects. They provide no method by which greater prosperity and security for the Nation as a whole can be secured by the reduction of trade barriers, while avoiding or ameliorating the economic losses which particular communities, industries, enterprises, and individuals may suffer in the adjustment of their productive activities which may be made necessary by such reduction. It is the purpose of this act to resolve this problem by providing assistance to communities, industries, enterprises, and individuals in the adjustment of their productive activity to the economic conditions created by the national trade policy. It is not the purpose of this act to provide a permanent subsidy, but rather to provide the means by which those affected by lowered trade barriers may be assisted in the period of their adjustment.

(b) It is the intention of Congress that, in determining eligibility for the assistance provided for under this act, the act shall be construed liberally and that any doubt regarding eligibility shall be resolved in favor of the applicant.

ESTABLISHMENT AND FUNCTIONS OF ADJUSTMENT ASSISTANCE BOARD

SEC. 3. The President shall appoint a 5-member board to be known as the Trade Adjustment Board (hereinafter called the Board), 1 member of which he shall designate as Chairman. The members of the Board shall be appointed from among the officers and employees of the executive branch of the Government and shall serve without compensation in addition to that otherwise received as officers or employees in the executive branch of the Government, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Board.

SEC. 4. For the purposes of performing its duties, the Board is authorized to—

(a) hold such hearings, to sit and act at such times and places, and to take such testimony, as the Board may deem advisable;

(b) secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this section; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Board upon request made by the Chairman;

(c) require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths, to take testimony, to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. Subpenas shall be issued under the signature of the Chairman and shall be served by any person designated by him. The Board is authorized to exercise any of the powers conferred upon the Securities and Exchange Commission by subsection (c) of section 21 of the Securities and Exchange Act of 1934, and subsection (d) of such section shall be applicable to witnesses before the Board; and

(d) establish such rules, regulations, and procedures as may be appropriate to permit the Board to perform the functions prescribed in this act.

SEC. 5. (a) Whenever the President, in accordance with the provisions of sections 4 and 7 of the Trade Agreements Extension Act of 1951, as amended by sections 12 and 13 of this act, shall determine to invoke the provisions of this act with reference to any article as to which a modification in the rate of duty or other import restriction, or any other concession, has been found either to threaten or to have caused serious injury to a domestic industry, he shall notify the Board of his decision.

(b) After the notification by the President provided for above, the Board shall, upon application by any community, industrial development corporation, business enterprise, employee, or organization representing employees, determine whether the applicant is eligible, or represents persons eligible, to receive the benefits provided for in this act. If the Board shall determine that any community, industrial development corporation, business enterprise, employee, or organization representing employees is eligible for the benefits provided for in this act, or represents persons so eligible, it shall issue a certificate describing the community, industrial development corporation, business enterprise, or employees found eligible which shall conclusively establish for a period of 18 months or such shorter period as the Board may determine that the described persons are eligible for the benefits provided for in this act. Such certificates shall state the period for which they are valid and shall automatically expire at the end of such period. Upon application, the Board shall have authority to renew any certificates of eligibility for successive periods of 18 months, or less, upon a showing that such renewal is necessary to accomplish the purposes of this act. The Board shall also have authority on its own motion or upon the motion of any interested person, to cancel any such certificate of eligibility if it finds the continued existence of such certificate is not necessary to accomplish the purposes of this act.

(c) The following may be determined by the Board to be eligible for the benefits provided for in this act:

(1) Any business enterprise engaged in the production of an article identical to or directly competitive with an article with reference to which this act shall have been invoked.

(2) Any unemployed individual whose last regular employment shall have been in a business enterprise which is eligible or may be determined to be eligible for the benefits provided for by this act.

(3) Any community a substantial number of the residents of which are individuals who are eligible or may be determined to be eligible for the benefits provided for by this act.

(4) Any industrial development corporation organized for the purpose of aiding the development of a more balanced and diversified economy or diversification of production

in a community which is eligible or may be determined to be eligible for the benefits provided for by this act.

In determining whether a particular business enterprise is eligible for the benefits provided for in this act, the Board shall consider what portion of the total production of such enterprise consists of the production of an article identical to or directly competitive with the article with reference to which this act shall have been invoked. In determining whether any such enterprise or any community or industrial development corporation is eligible for such benefits the Board shall also consider whether such enterprise, community, or industrial development corporation has developed satisfactory proposals for programs of economic adjustment consonant with the purposes of this act.

(d) As used in this act—

(1) The term "industrial development corporation" includes any body organized and operated by private citizens for the purpose of aiding the development of a more balanced and diversified economy or diversification of production in a community through industrial development, the training or retraining of employees, or through any other means.

(2) The term "employee" includes an unemployed individual whose last regular employment shall have been in a business enterprise which is eligible or may be determined to be eligible for the benefits provided for in this act.

ADJUSTMENT BENEFITS

SEC. 6. Information and advice: Any business enterprise found to be eligible by the Board for assistance under this act may apply to appropriate departments and agencies of the Government for technical information, market research, or any other form of information and advice which might be of assistance in the development of more efficient methods of production and in the development of new lines of production. Similarly, any community or industrial development corporation found eligible for assistance under this act may apply to appropriate departments and agencies of the Government for such information and advice as will enable it to develop a more balanced and diversified economy.

SEC. 7. Loans: Section 207 of the Small Business Act of 1953 is amended—

(a) by striking out the word "and" at the end of subsection (d);

(b) by striking out the period at the end of subsection (e) and inserting in lieu thereof a colon and the word "and"; and

(c) by adding at the end thereof a new subsection as follows:

"(f) to make such loans as the Administration may determine to be necessary or appropriate to business enterprises and communities, either in their corporate capacity or as represented through industrial development corporations or similar agencies, for the adjustment by such business enterprises and communities to economic conditions resulting from the trade policy of the United States: *Provided, however,* That no such loans shall be made by the Administration to any business enterprise, or community unless the Trade Adjustment Board, as established under the provisions of the Trade Adjustment Act of 1954, shall have certified to the Administration that such business enterprise, or community is eligible for benefits under the Trade Adjustment Act of 1954: *And provided further,* That the requirements of paragraph (1) of subsection (a) of this section shall be applicable to the loans authorized to be made under this subsection."

SEC. 8. Unemployment compensation: (a) (1) The Secretary of Labor (hereinafter referred to as the "Secretary") shall on behalf of the United States enter into an agreement with any State in which an enterprise, or community, with respect to which a certificate of eligibility has been issued under this act, is located, under which the State, as

agent of the United States, will make payments of supplementary compensation to unemployed individuals in the State as provided for in this section, and will otherwise cooperate with the Secretary and with other State agencies in making payments of supplementary compensation under this section.

(2) Payments of supplementary unemployment compensation under this section shall be made only to individuals within the class of individuals determined by the Board under section 5 of this act to be eligible to receive the benefits provided for in this act.

(3) In any case where an unemployed individual is no longer entitled to payment of compensation under the unemployment compensation laws of the State solely by reason of the expiration of the period for which such compensation is payable under such laws, there shall be paid to such individual, out of amounts paid to such State by the United States for such purpose and without cost to such State, supplementing compensation in an amount equal to the rate of State unemployment compensation which he was receiving immediately prior to the time he was no longer entitled to receive such rate. In order to remain eligible for supplementary compensation under this paragraph, an individual must comply with the provisions of State law with respect to ability and availability for work, and with respect to the acceptance of offers of suitable work, and failure to so comply shall result in immediate cessation of payment under this paragraph. The total period during which an unemployed individual may receive benefits under this section shall not exceed 26 weeks.

(4) The amount of the Federal supplementary compensation to an individual for a week of partial unemployment shall be the amount necessary to provide such individual with a weekly benefit equal to the amount he would have received under paragraph (3) of this subsection for a week of total unemployment, less his earnings for such week in excess of the partial earnings allowance, if any, permitted by the unemployment compensation law of the State.

(5) Any agreement under this section shall provide that compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any payment made pursuant to such agreement. No agreement under this section for payment of compensation by a State agency shall be valid if compensation payable to any individual under the law of such State is less than it would have been under such law as it existed on January 1, 1955.

(b) Whenever the Board, either upon application of an interested party or upon its own motion, determines that unemployment among individuals found by the Board to be eligible to receive the benefits provided for in this act is no longer attributable to the trade policy of the United States, no further payments shall be made under this section to such individuals with respect to weeks of unemployment occurring after the date of such determination by the Board, or occurring during any period for which there is not in effect a certification under section 5 describing such individuals.

(c) Each State shall be entitled to be paid by the United States an amount equal to the additional cost to the State of payments of compensation made under and in accordance with an agreement under this section which would not have been incurred by the State but for the agreement.

(d) In making payments pursuant to this section, there shall be paid to the State, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by

any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical sampling, or other method, as may be agreed upon by the Secretary and the State agency.

(e) The Secretary shall from time to time certify to the Secretary of the Treasury for payments to each State sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds available for carrying out the purposes of this act.

(f) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this section, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(g) An agreement under this section may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds available for carrying out the purposes of this section.

(h) No person designated by the Secretary, or designated pursuant to an agreement under this section, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this section.

(i) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided by this section.

(j) For the purpose of payments made to a State under title III of the Social Security Act, administration by the State agency of such State pursuant to an agreement under this act shall be deemed to be a part of the administration of the State unemployment compensation law.

(k) The agency administering the unemployment compensation law of any State shall furnish to the Secretary such information as the Secretary may find necessary or appropriate in carrying out the provisions of this act, and such information shall be deemed reports required by the Secretary for the purposes of paragraph (6) of subsection (a) of section 303 of the Social Security Act.

(l) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment authorized to be paid under this section or under an agreement thereunder shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

(m) The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this section. The Secretary shall insofar as practicable consult with representatives of the State unemployment compensation agencies before prescribing any rules or regulations which may affect the performance by such agencies of functions pursuant to agreement under this section.

SEC. 9. Training and transportation: (a) The Secretary shall—

(1) prescribe and provide suitable training for unemployed individuals eligible for the benefits of this act who are in need of retraining, reemployment, vocational education, or vocational rehabilitation;

(2) utilize and extend all existing Federal governmental facilities, and utilize the facilities of any other governmental agency maintained by joint Federal and State contributions, to carry out the purposes of this section; and

(3) by agreement or contract with public or private institutions or establishments, provide for such additional training facilities as may be necessary to accomplish the purposes of this section.

(b) The Secretary shall have the power and the duty to cooperate with existing Federal, State, and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating his activities with those of such Federal, State, and local agencies.

(c) Whenever the Secretary shall determine that (1) no job opportunity for an unemployed individual found eligible for the benefits of this act exists within his own current labor market area, (2) a job opportunity for such individual equivalent to his former employment is available at a place in the United States outside of his current labor market area, (3) such individual agrees to take the job opportunity outside of his labor market area, and (4) the acceptance of such employment would be in the best interest of the United States, then the Secretary is authorized to make available to such individual at Government expense, facilities for the movement of such individual, his dependents, and his household effects to a location designated by such individual and approved by the Secretary, by using Government or commercial means of transportation.

SEC. 10. Retirements: (a) Whenever the Secretary shall determine that any individual, 60 years or older, included within a certificate of eligibility issued by the Board is unemployed as a result of the national trade policy of the United States and is unable to find employment because of his advanced age, the Secretary shall issue a certificate containing such a finding.

(b) Section 216 (a) of the Social Security Act is hereby amended to read as follows:

RETIREMENT AGE

"(a) (1) Except as provided in paragraph (2), the term 'retirement age' means age 65.

"(2) In the case of an individual who is certified by the Secretary of Labor as unemployed by reason of the trade policy of the United States and unable to find employment because of advanced age, the term 'retirement age' means age 60."

(c) The amendment made by this section shall take effect with respect to payments made for months beginning more than 1 month after the date this act is enacted.

SEC. 11. Accelerated amortization: (a) Section 168 (e) (1) of the Internal Revenue Code of 1954 is hereby amended by adding after the words, "necessary in the interest of national defense during the emergency period," the words "or necessary for the development of new or different lines of production by an eligible business enterprise or of a more balanced economy in an eligible community"; and by adding after the words "attributable to defense purposes" the words "or the national trade policy of the United States, as the case may be."

(b) Section 168 (d) of the Internal Revenue Code of 1954 is hereby amended by adding the following:

"(3) Eligible business enterprise, community: As used in this section the terms 'eligible business enterprise' and 'eligible community' refer to business enterprises or

communities holding certificates of eligibility under the Trade Adjustment Act of 1954."

Sec. 12. Section 4 of the Trade Agreements Extension Act of 1951 is amended by adding the following:

"(c) In any case in which the President is required, under the provisions of subsection (a) above, to transmit a message to Congress identifying an article with respect to which a trade agreement has caused or threatens to cause serious injury to a domestic industry, he may determine to invoke the provisions of the Trade Adjustment Act of 1954 by notifying the Trade Adjustment Board, created under the provisions of such act, to that effect. The President shall include in his message to Congress, provided for in subsection (a) above, a statement indicating whether he has so notified the Trade Adjustment Board."

Sec. 13. Section 7 (c) of the Trade Agreements Extension Act of 1951 is amended to read as follows:

"(c) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may (1) make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, or (2) notify the Trade Adjustment Board, created under the provisions of the Trade Adjustment Act of 1954, that he has invoked the provisions of the Trade Adjustment Act of 1954 with respect to such industry. If the President does not take either of such actions within 60 days, he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, imposed such quotas, or invoked the provisions of the Trade Adjustment Act of 1954."

United States Foreign Policy

EXTENSION OF REMARKS OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, June 7, 1955

Mr. WILEY. Mr. President, last Saturday, June 4, it was my privilege to journey to Columbus, Ohio, to address the Buckeye state department of a great veterans organization of which we are truly proud—American Veterans of World War II.

I ask unanimous consent that the text of my address be printed in the RECORD.

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

UNITED STATES FOREIGN POLICY

(Address by Hon. ALEXANDER WILEY at State convention, AMVETS, Department of Ohio, June 4, 1955)

Last summer I was in Europe on an assignment from the Secretary of State and in my capacity as then chairman of the Committee on Foreign Relations. It was during that critical period when the French Chamber of Deputies rejected the European Defense Community. During the days immediately following rejection of the EDC, there was widespread dejection. If the French wouldn't accept the EDC, there was no alternative. My voice seemed a lone one in the wilderness. But I kept repeating that the idea of the European Defense Community would not die.

Several days later I met with then Premier Mendes-France. As I spoke with him across his desk, he remarked that many people in France were disturbed at press reports of my comments to the effect that the idea of the EDC would not die. Mendes-France said that he wanted me clearly to understand that the EDC was dead. But he added that he knew what I meant. What I was saying, said the Premier, was that the spirit of a united free Europe was not dead.

MUST NOT DEAL IN ABSOLUTES

I tell this story because in foreign policy we must not deal in absolutes.

In Western Europe last summer, it was not the EDC or nothing, as many of our friends thought. There were alternatives. They have been explored and today—some 9 months after the EDC was rejected—we see a new hope in Europe. Western Germany has regained her sovereignty; Western European Union is a going concern; plans are well under way to help the Germans build defense forces; and we have in prospect large possibilities of settlement in Europe.

It was erroneous to think that it was EDC or nothing.

Diplomacy has been described as the art of letting the other man have your own way. Diplomacy cannot operate effectively if people think constantly in terms of absolutes—of everything being either black or white.

AMERICANS DEMAND RESULTS

There is perhaps a tendency on the part of Americans to think in these absolute terms. We want to move fast and get things done. "Put up or shut up" is an American phrase that indicates our impatience with halfway measures. We are not satisfied with little results; we want big results, and we want them now.

Having so recently emerged from a frontier period, we feel that all things are possible. Within the confines of the United States, we have been able to control our destiny. As a result of our experience in the last 100 years, it is perhaps but natural that we have a feeling of omnipotence—a capacity to see things that need doing, and then do them.

Now that we move into a position of great importance in the international community, there is a tendency for us to feel that we can manage things in international affairs much as we have managed them in domestic affairs. We tend to think of other nations as box cars that we can move from place to place at will.

LIMITATION ON CONTROL OF FOREIGN AFFAIRS

But there are some great differences between domestic and international affairs. For one thing, most of the world is outside the boundaries of the United States. Fifteen-sixteenths of the land area of the world is not under our jurisdiction. Sixteen-seventenths of the people of the world are foreigners to us, again not subject to our jurisdiction. This means that many events take place over which we can have but little influence and no control.

We may not like what goes on behind the Iron Curtain, but there is not much we can do to prevent it. We may not like to see the Communists take control of China, but we have not been able to stop it. We may not like what Mr. Nehru does in India, but our legislative mandate does not run to India.

Although many of the things which occur outside of the United States may have a terrific impact upon this country, they may in fact be largely beyond our control. Sometimes foreign relations is a little like the weather. We do a lot of talking about it, but not much can be done to control it.

MUST NOT BE DEFEATIST

I do not emphasize this fact with the idea of being defeatist. I underline it because we must understand the world in which we live if we are to be able to exert our maximum influence in it.

Unless we realize that we are but 1 of some 80 nations, albeit the most powerful, we will be a frustrated people when events occur in the international community which we do not like. A frustrated people is not a good foundation on which to build a strong foreign policy—and I must emphasize that public attitudes are extremely important in the formulation and the conduct of our foreign policy. The Senate and the President cannot carry on a foreign policy which is not supported by a substantial majority of the American people. Every single person constitutes one element in that majority, or minority, as the case may be.

INFLUENCING FOREIGN POLICY

I referred earlier to the fact that the United States cannot bring order to the international community by government fiat. There are, of course, ways in which the United States can and does influence international events. Let me mention a few.

INFLUENCE OF MILITARY POWER

In the first place, the military power of this Nation is one of the most important ways of influencing foreign relations. I am not one who believes that our power should be used to compel nations to take courses of action which we might find desirable. Power so used would surely corrupt. But it is necessary that the United States maintain sufficient military power to deter potential aggressors from seeking by force to impose their will on less powerful nations. It has been American military power in the past few years which, in my opinion, has served to prevent Communist encroachment in Europe, south Asia, and to some extent in the Far East.

I have long advocated the establishment of American Air Force bases overseas within striking distance of the centers of production in the Soviet Union. I am convinced that these bases have exercised a tremendous deterrent effect on the Soviet Union. We and our friends know these bases do not exist for purposes of aggression. But they are available in the event the Kremlin should embark on a military adventure against the free.

We need the cooperation of friendly nations throughout the world to maintain these bases. We must not let current dove-like noises from Moscow persuade us to abandon these bases.

INFLUENCE OF ECONOMIC ASSISTANCE

There is another way in which this Nation may influence foreign policy. We can seek to influence policy with economic assistance. Some of our enemies have accused the United States of using its foreign-aid programs to influence the policies of foreign countries. There may have been isolated instances when this has been the case. As a general rule, however, our foreign money programs have not been used to coerce nations to follow a course of action that would be acceptable to this Nation. By way of illustration, I would point to the hundreds of millions of dollars which the United States has made available to India in recent years. I see no evidence that American assistance has corrupted Mr. Nehru or made him change his policy with respect to the United States one bit.

INFLUENCE BY PERSUASION

Another way to influence nations is by persuasion. Our delegates to the United Nations are constantly engaged by word of mouth in expressing American attitudes in the field of foreign policy. They seek to persuade other nations by the honesty of American convictions and the logic of our argument. They try to show that the courses of action we desire are in the best interests not only of the United States, but of the world at large. We also endeavor to influence events abroad by our information programs, which include the Voice of America,

libraries, the exchange of students, and motion pictures.

INFLUENCE OF FREEDOM

The most important way in which the United States can influence foreign policy is not by military power, not by money, and not by persuasion. The best way to influence foreign nations to accept American principles of foreign policy is to convey to them the democratic ideas which underlie our system.

For 2,000 years, since the time of Christ, the idea of individual freedom has constantly grown. Man has won liberties for himself in centuries of struggle. There have been times when the individual's deep aspiration to control his own destiny has been thwarted by tyrants, dictators, and authoritarian movements. But over the span of history, the area of man's individual freedom has constantly grown.

THE ROLE OF THE INDIVIDUAL

This is the idea upon which our Nation is founded—the idea that government is the servant of the people and that no nation can expect to develop to its fullest unless it appreciates and honors the role of the individual living in freedom. It is as a result of individual freedom that we get motive power for invention, for economic development, and eventually for a world in which individual free men may live at peace with each other.

This idea of individual freedom is, I believe, the greatest power we have. It is the weapon of free men able to influence other nations to conduct themselves in a way which will be beneficial not only to themselves, but to the United States.

Unfortunately, while the idea of individual freedom is perhaps our greatest strength, we have been weak in using it.

The democratic idealism that fired the imagination and the creative powers of the founders of this Nation has been corrupted by materialism. We have been so busy developing this Nation that we think in terms of production, salesmanship, and investment. We seem to have a capacity to sell and export every product of America except the bedrock ideals upon which our system rests.

EXPORTING AN IDEA

In concentrating on building a nation we have come close to losing the ability to export an idea. I do not believe we have lost the individual freedom ideals of our forefathers, but those ideas have gotten so mixed up with material things that their underlying importance is lost upon many of us.

That is why I have said that while ideas are our strongest weapon in the worldwide ideological struggle characteristic of this century, we do not use ideas effectively.

AMERICANS AS FREE MEN

Our job throughout the world is to get foreigners to think of Americans not as rich men, but as free men. When the nations of this earth think of the United States not as a rich nation, but as a free nation, and realize that the democratic way offers them also the chance to be free, we will need have no fear but that the Communist conspiracy that walks like a state will be destroyed from within.

One of the best ways by which our democratic ideals can influence foreign nations is to exhibit those ideals in our daily life in the United States. It has been said that the United States is a showcase of democracy. There is truth in this observation. It is certain that the better democracy works in this country, the greater the influence this Nation will have abroad.

ATTAINMENT OF FOREIGN POLICY GOALS

It is easy to state the aim of our foreign policy. It is our policy to bring about and to maintain conditions in the world in which the United States may live at peace and be secure in its freedoms. The difficulty in the

conduct of foreign policy is not a difficulty in stating aims, but it is the difficulty of making the day-to-day decisions that will promote our aims. The goals are important, but the means by which we try to attain those goals are equally important.

MILITARY DEFENSE

In recent years United States foreign policy has proceeded along two main lines with bipartisan support.

In the first place, we have sought to maintain our military defenses, and those of allies, at a level sufficiently high to prevent the Communist conspiracy from seeking to impose on free nations its philosophy of collectivism by force. I wish we did not need to maintain a military posture of this kind. As long as the threat continues, we need to be prepared. But the constant maintenance of such a military posture is not the way to settle forever the conflict between communism and democracy.

In a local community, if there is a problem of juvenile delinquency, one way to handle it may be to increase the size of the police force. This may protect the community. It will not, however, eliminate juvenile delinquency. Steps must be taken instead to get at the fundamental causes of juvenile delinquency.

It is somewhat the same in the international community. Free states must maintain their military defenses, but only until it is possible to establish conditions in the world which will prevent situations from arising where force may be needed.

I believe our military defensive strength is now beginning to pay off. The Communists understand forces in being.

ECONOMIC DEFENSE

The second aspect of our present policy is to try to create conditions in the world that will promote stability and eliminate the dangers of military conflict.

The technical assistance program, for example, provides assistance to backward countries which, without such aid, might find themselves in such chaotic conditions that they would tend to throw away their aspirations for individual freedom in exchange for promises of plenty under a collectivist system. I have supported economic and technical assistance over the years. I propose to continue to support those programs because they provide permanent cures for conditions which might otherwise encourage violence.

RELATIONSHIP OF MILITARY AND ECONOMIC DEFENSES

It seems important to me that the American people realize the close relationship which exists between the military aspects of our foreign policy and the economic aspects. Last year the United States spent 75 cents out of every dollar of national expenditures for military purposes. Only some 3 cents was available for economic and foreign policy programs of a nonmilitary type. This balance is not right. We must gradually put more of our national expenditures in the economic column and less in the military column. But movements in this direction cannot take place overnight. They require first the creating of world conditions in which tensions are lessened and the threat of force abated.

GERMANY

In the weeks ahead one of the spots that will merit our special attention is Western Germany. That nation, now reendowed with the attributes of sovereignty that were wrested from her during the war, has cast her lot with the West. Western Germany is now a full-fledged member of NATO. She will soon start creation of forces to serve with other NATO forces in defense of the free nations of Western Europe. Under the able leadership of Chancellor Adenauer, Germany

has moved rapidly toward the creation of a genuine democracy.

Yet Germany is in very real danger. She naturally desires to be reunited and it is for that reason that the recent suggestion that Germany be neutralized must be viewed with suspicion. That was a seductive, dangerous, and unrealistic doctrine. Seductive because it may have a wide appeal to those who do not want Germany to become a strong military power again; dangerous because it would take the heart out of our Western defense system; and unrealistic because no nation, with Germany's location, population, and industrial might, could long remain neutral.

But it is just this kind of thing that we must guard against in the weeks ahead.

THE FAR EAST

We must also keep a wary eye on the Far East. The Chinese Communists have recently had a demonstration of the strength of the idea of freedom in Asia. At the Bandung Conference, many of the newly free nations gave positive evidence that they know the dangers of communism. That statesman of the Philippine Republic, Gen. Carlos Romulo, recently told me that he came back from the Bandung Conference "exalted." He told of hearing representatives of newly free Asian nations quote the language of the American Declaration of Independence, the language of Magna Carta, and the language of the Gettysburg Address.

But the fact that there are many in Asia who know the dangers of communism and who have attached themselves to the ideas of democracy, does not lessen the possibility of Communist China seeking to precipitate situations in which her agents might take over by subversion, supported by force.

Formosa, though a quiet area now, might again become a focal center for potential conflict.

The situation in Vietnam is fraught with danger for freedom. Unless her gallant Premier Diem is able to consolidate his strength, there is danger that communism will infiltrate and conquer that new country.

I mention these matters because they are likely to give us trouble in the weeks ahead.

I wish it were possible for me to predict a future in which all our foreign policy problems would be small ones. I cannot do that. There is one thing we can be sure of in the future and that is that we have lots of trouble ahead of us. There will be occasions when we will feel that the only recourse open is for us to use force. There will be occasions when we will be frustrated almost beyond endurance. There will undoubtedly be instances in which we will be offered panaceas which, though attractive on the surface, may hold within them dangers to our individual liberties.

NEED FOR RESTRAINT AND UNDERSTANDING

As we face the future, I would emphasize the constant need for restraint in our relations with foreign nations and the need for understanding on the part of our people. This is especially important in the weeks immediately ahead.

Our President will be meeting with the leaders of the United Kingdom, France, and Russia. This will be the first face-to-face encounter by the heads of these states since the Potsdam Conference at the end of World War II—nearly 10 years ago. There have been several such meetings among the Big Three, but none with the head of the Soviet State.

I have the greatest confidence that President Eisenhower will represent us faithfully and well. We must back him up 100 percent because this is one of the times when unity in time of peace is nearly as important as unity in time of war.

The kind of unity of which I speak was demonstrated earlier this week when the Senate passed the Mutual Security Act of 1955. It has been our unity in support of

these programs over the past years that is now paying off.

I recently asked Mr. Dulles how he felt about this. He replied: "The policy of the Soviet Union with reference to Western Europe has failed. Today marks the death knell of the great Soviet policy for Western Europe which they have pursued with every means at their command for the past 3 years. They now have to throw up their hands and admit they have failed. Therefore . . . they have to find new policies."

No one would deny that there has been a clash of Soviet and United States policy throughout most of the globe for the past 10 years. The longer the peoples of the world have to examine communism on the one hand with its outward evidences of unity imposed by the domestic threat of force, and democracy on the other hand with its unity achieved as the result of the give and take of free men, the more likely they are to choose the unity of the free.

In conclusion, I should like to revert for a moment to the point made at the beginning of my remarks, that we must not think in terms of absolutes.

I do not expect the meeting at the summit will ring in the millennium of peace. Neither do I expect that a failure at that meeting would leave us with no alternative but preparation for eventual war. The results of the conference are not likely to be all white or all black.

It is essential that great organizations such as the AMVETS take the lead in helping the people of this Nation to realize that we must not expect too much of this meeting; we must not succumb to a feeling of frustration if the conference does not go too well.

We have a long pull ahead. The American people must have patience and fortitude. Ultimately we know that the way of freemen will prevail and that man can live at peace.

Bill Introduced To Prohibit Pay TV

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. CELLER. Mr. Speaker, I have introduced a bill today which will expressly prohibit television stations from imposing any toll, subscription, fee, or other charge on the general public for the privilege of viewing TV programs in their own homes.

In addition to its high cost, pay television (a) would reduce listening, by blacking out, for those who do not pay, channels now devoted to free programs; (b) it would siphon off the best programs which the public is now receiving free; and (c) it would divide the television audiences along economic lines.

The biggest ailment of TV today is not the lack of money, but the lack of talent. TV is suffering from a dearth of authors, performers, and so forth, who are needed to meet the continued, tremendous demand for novelty and variety in our TV performances. If telecast stations could continually supply good shows they would attract not only large audiences but also advertisers who would be willing to sponsor their shows in order to place their products before the public. Pay or gas-meter television cannot guarantee good shows.

Let no one be deceived that toll television will be inexpensive. A week's programming of subscription telecasts, in time, will cost the average family between \$3 and \$5. While many shows may only charge a fee of 25 cents, before long some telecasts, like baseball, will be charging 50 cents to \$1. In fact, telecasts of certain prizefights, which are shown exclusively over closed circuits in movie houses, have already charged from \$2 to \$5.

In addition, pay TV will preempt the peak hours of the evening, between 8 and 10 p. m. Today's most popular shows, like *I Love Lucy* will be the first ones to be brought under the pay-as-you-see programs. Thousands of viewers recently enjoyed the delectable Peter Pan starring Mary Martin. Such a spectacular will, in the future, only be viewed after payment in a slot.

The price charged the public would not, of course, be limited by the cost of programming the show. Instead, it would be set by the pay television operator at the figure which would bring in the largest box return. Pay television contemplates no modest rate rise. The cost per home per program today is about 1 cent now borne by the advertiser. Under pay television, this could be multiplied by 25 or 200 or more and would be borne entirely by the viewing audience. We were told that toll TV would eliminate advertising but already people like Walter O'Malley, of the Brooklyn Dodgers are openly indicating that advertising is a planned part of pay TV. Thus some of the inane, inept, if not insane TV commercials, will still be with us.

The proponents of toll TV talk about only what free television has not brought to the public. They refuse to talk about what they do not care to see or admit. Television is in its infancy and already it has brought into the American home great box-office attractions, including opera, ballet, concerts, the legitimate theater, omnibus shows, sports events, children's programs, educational programs, current and patriotic events. All it needs is time to grow. Let us not be impatient.

The television spectrum is limited. It is in the public domain and the interest of the public should therefore come first. The interests of telecasters are secondary.

The text of the bill follows:

A bill to prohibit the charging of a fee to view telecasts in the home

Be it enacted, etc., That section 303 of the Communications Act of 1934 (48 Stat. 1082) as amended, is amended by changing the semicolon at the end of clause (b) to a colon and adding the following: "Provided, however, That it shall not authorize or permit any television station to impose a toll, fee, subscription or other charge, directly or indirectly, on the general public for the privilege of viewing television programs received over television sets located in the home."

Sec. 2. The Communications Act of 1934 (48 Stat. 1064) as amended, is amended by adding the following section:

"Sec. 508. Charging fees for viewing telecasts in home: Any television station, its agents, officers, or employees, who, directly or indirectly, impose or attempts to impose any toll, fee, subscription, or other charge, on the general public for the privilege of

viewing television programs transmitted by it and received over television sets in the home, shall be fined not to exceed \$10,000 or imprisoned for more than 5 years, or both."

Distribution of Salk Vaccine

EXTENSION OF REMARKS

OF

HON. LESTER HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. HOLTZMAN. Mr. Speaker, since the announcement of the discovery of the Salk polio vaccine almost 2 months ago, thousands upon thousands of parents throughout these United States have been awaiting positive action by the Federal Government in insuring prompt inoculations for their children.

They are still waiting, and the entire inoculation program is presently bogged down with no assurances that there will be a definite plan set up which would make this vaccine available to our youngsters without further delay. Already valuable time has been lost.

The people in my home district, in New York, are naturally concerned, and rightly so, about the lack of Federal action on this important problem. We can only hope that the Government will realize the seriousness of the situation confronting us, and will put into effect an equitable program for the distribution of the vaccine.

I would like to include in my remarks a copy of the letter I wrote to the Secretary of Health, Education, and Welfare, Mrs. Oveta Culp Hobby, on April 21, 1955, shortly after the announcement of the vaccine discovery. And I will also include a copy of Mrs. Hobby's reply of May 6, 1955, which indicated that several committees were studying the problems involved.

To date nothing has been accomplished. Confusion still reigns, and the polio season is upon us. The Government must accept its responsibility and put into effect an equitable distribution system immediately. I hope and pray that this will be done.

The letters follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 21, 1955

HON. OVETA CULP HOBBY,
Secretary of Health, Education, and
Welfare, Department of Health,
Education, and Welfare, Washing-
ton, D. C.

DEAR MRS. HOBBY: Since the recent announcement of the discovery of the Salk vaccine, one of our greatest problems is its equitable distribution.

The conference to be held at the Department of Health, Education, and Welfare tomorrow should strive to set up a workable plan whereby the vaccine will be administered to every child in the United States, regardless of cost. This is an investment in our future well-being, and the Federal Government must take the lead in putting into operation a national plan which will abolish the confusion and vague proposals which have been heard since the announcement.

This is a tremendous medical achievement, and with the results indicating that

the vaccine is 80 to 90 percent effective in preventing paralytic polio, we can feel that the dread disease is now facing defeat. Thousands and thousands of children, whom it strikes most frequently, will be able to live out their lives without any crippling effects, and the many serious and often-times uncontrollable outbreaks of poliomyelitis will be terminated.

The National Foundation for Infantile Paralysis, which has been conducting research against polio for a number of years, has initiated the rule of "children first," and I believe that this rule should apply in the nationwide inoculations which have already started. No child should be deprived of this vaccine because of an inability to pay for it. I believe that no time should be lost in determining whether or not each child can afford the inoculation. If the cost of the shots cannot be undertaken by the child's family, then ways and means of appropriating sufficient funds to care for this expense should be developed. This is a step forward in the field of medicine, the benefits of which should be extended to everyone.

The distribution of the vaccine calls for calm and orderly deliberation and planning, and the problems of making it available—first to our children, and then to adults when the supply is more equal to the demand—can be resolved without delay if the Government will act quickly and decisively to set up controls on allocations and prices, which will ensure against any exploitation of the discovery by special interests, or those seeking personal gain.

I realize that there are many problems to be overcome in setting up such a system of controls, but I am confident that the urgency of the situation will be recognized by those at the conference, and I earnestly hope that a satisfactory policy will be developed.

Sincerely yours,

LESTER HOLTZMAN,
Member of Congress.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
May 6, 1955.

HON. LESTER HOLTZMAN,
House of Representatives.

DEAR CONGRESSMAN HOLTZMAN: This will acknowledge your letter of April 21, 1955, concerning Salk poliomyelitis vaccine.

This Department has established a National Advisory Committee on Poliomyelitis Vaccine to advise on the problems of distribution and an Expert Technical Advisory Committee on Poliomyelitis Vaccine. The responsibilities of these committees relate to equitable distribution, as well as to a safe and effective vaccine. The questions raised in your communication are currently being studied by these committees and will be discussed in our report to the President which will be completed in a few days.

Sincerely yours,

OVETA CULP HOBBY,
Secretary.

Bananas on Pike's Peak

EXTENSION OF REMARKS OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. HOSMER. Mr. Speaker, the Congress might as well appropriate money to grow bananas on Pike's Peak as to approve the Seedskadee irrigation project in Wyoming.

The Seedskadee project is a part of the proposed multibillion dollar upper Colorado River project.

The cost to the Nation's taxpayers of the Seedskadee project would be \$2,200 an acre.

The project would grow agricultural products now supported by the taxpayers and in great surplus. Among these are grains, dairy products, and wool.

American Foreign Policy in the Far East

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 7, 1955

Mr. MANSFIELD. Mr. President, on May 22 last it was my privilege to deliver a commencement address at Carroll College, Helena, Mont., on the subject American Foreign Policy in the Far East.

I ask unanimous consent to have the address printed in the RECORD.

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

AMERICAN FOREIGN POLICY IN THE FAR EAST

It is good to be with you young men and women of Carroll College, with your distinguished faculty and your families and friends. It is also good to be home again in Montana.

In the years ahead many of you will use those same words, "It is good to be home again," and some of you will use them often. I say that because the world of today and tomorrow, for better or worse, is the kind of world that propels people and especially young people to distant places. It is a world of change, a world of movement.

You will find, however, that no matter where you may go, the roots are here. The reason for that will become clearer as time goes by. You will find that from these roots, from these years that have already been, years of training and experience at home, in church, in schools and college—from these roots you draw the strength to grow in understanding. From these roots comes the background to put the vast and complex panorama of modern life into meaningful perspective. These are roots which hold fast to the enduring in what is otherwise a world of incessant and rapid change.

It is to this world, this world of the enduring and the changing that American foreign policy must be adjusted. There was a time when we could largely ignore peoples and developments beyond the Atlantic and Pacific shores of the Nation. That time is past. American foreign policy is now crucial to the preservation of freedom in this country and the world over. And the content of American foreign policy is of transcendent importance to each of us if for no other reason than that it can move us toward peace or toward war.

While foreign policy is by no means a simple thing to understand, neither is it beyond the understanding of American citizens who try to fulfill the obligations of their citizenship. Foreign policy is the course by which we attempt to provide for the safety of the Nation and its institutions and to advance its total interests in the world. If it is to serve the Nation in that fashion and, if it is to develop in accord with the religious and moral principles of the

Nation, it must be fixed in the understanding of the American people.

Now I know that you graduates have heard many lectures over the past few years. You are probably not, on this day, in a mood to tolerate another, at least not a long one. I shall not, therefore, tax your patience too heavily by attempting to review in detail American policy throughout the world.

Let me say in passing only that the prospects for peace and for liberty in Europe are brighter today than they have been for a long time. The patience of this country and other Western nations has finally produced a satisfactory peace treaty with Austria after 379 previous attempts had failed because of the negativism of the Soviet Union.

Sovereignty has, at long last, been restored to Western Germany and that nation has become a member of the North Atlantic Treaty Organization on the basis of full equality with the other Western countries. All that remains in order to bring the whole of Western Europe under the protective cover of this defensive organization is to secure the inclusion of Spain, a step which I have urged on numerous occasions in the past.

In the Middle East, the continued strife between the State of Israel and the Arab countries and the economic and political difficulties of the latter create a dangerous situation. Your Government, however, is aware of the situation and is attempting to prevent a deterioration in it which might open the region to Communist penetration.

Africa is beginning to press itself on the consciousness of the rest of the world. A conference of Afro-Asian nations was recently held at Bandung, Indonesia. For the first time the voice of this least known but vitally important continent was raised forcefully in the councils of the nations. It is a voice that is bound to grow in strength and significance as the years go by. We in this country, particularly our younger citizens, will do well to educate themselves in an understanding of Africa so that we may establish sound relations with the nations that will inevitably emerge and grow powerful on that continent.

Latin America remains an area of primary concern to us. We are linked with the other American Republics in defensive arrangements and by cultural and economic ties. Nevertheless we cannot take these relations for granted. Our failure to pay sufficient attention to them in the past has constituted a serious gap in our foreign policy which we may be able to remedy in time. As in the case of Africa much will depend on the consideration which is given to Latin America by our younger citizens.

I have taken you on a 2-minute tour of two-thirds of the world in order that I might have 20 minutes for the remaining third, the Far East. That region, I know, is uppermost in the minds of Americans these days when they think of foreign policy because it is in that region that peace has been most consistently threatened in recent years. Developments in the far Pacific and our policies with respect to them are not the sole concern of Washington.

Every State, every community, and every home in the land has a stake in them because they involve the issue of war or peace. I can think of no question of greater concern to you men and women at the beginning of maturity. Your interest in this situation in Asia thousands of miles away is direct and vital. Your right to the facts in connection with it is fundamental.

Let me, then, try in the balance of my remarks to give you some background on recent developments in the Far East. When the Chinese Communists came to power on the mainland of Asia in 1949, the Government of the Republic of China, under Generalissimo Chiang Kai-shek, moved to the

island of Formosa. The United States continued to recognize his government as it has done for decades. For the past 5 years military and other aid, hundreds of millions of dollars of it, has been provided to support and to sustain that Government. That policy of aid has been based on the belief that if the Communists were permitted to take Formosa by aggressive force the safety and the freedom of this country and other free nations would be seriously jeopardized. It is a policy which was instituted by President Truman and reaffirmed by President Eisenhower. It has had the continuing support of Congress. It has also had the support of both great political parties.

A few months ago President Eisenhower asked Congress to pass a resolution supporting the defense of Formosa. He believed the resolution would strengthen his hand in dealing with the crisis created by the threat of the Chinese Communists to invade the island. Congress passed the resolution by overwhelming votes in both Houses. It did so, however, only after three points had been clarified. Many of us in the Senate sought to make clear in debate that the President by the resolution would not dilute his constitutional power and responsibility to command the Armed Forces and execute foreign policy. We also tried to make clear that Congress was not transferring to the President its sole power and responsibility to declare war. Finally, we sought to establish beyond doubt that the only purpose of the resolution was to strengthen the defense of Formosa against the Chinese Communists and to prevent further bloodshed in the Formosan Straits, if that were possible.

The responsibility for keeping Formosa out of the hands of the Chinese Communists now rests squarely with the President. He is responsible to God and to the American people for what action he may or may not take in carrying out this responsibility.

I do not know whether we shall avert war or be plunged into war in the Formosan Straits. No one can make a meaningful prediction of that kind. I believe, however, I speak for all of the people in this room when I say that it is our common and our deepest hope that families shall not be separated once again by the demands of war. I believe further that it is the obligation of all and particularly those of us who are elected servants of the people to work to safeguard this country in peace and not by war so long as peace is humanly and honorably possible.

That is why I want to go, today, a little deeper into the difficulties in which we now find ourselves in the Far East. In some ways the crisis in Formosa is a symptom rather than a cause of the difficulties. And if there is to be peace in Asia—if there are to be long-term solutions in Asia, it is to causes rather than symptoms that our attention must be directed.

The crisis in the Formosan Straits is not an isolated incident. Our difficulties in the Far East include obvious threats of Chinese Communist expansion in Korea, Indochina, and Formosa. They also include others that are not so obvious.

The most important of these difficulties center on Japan. That nation, as I have pointed out on many occasions, is the ultimate objective of Communist expansion in Asia. Its position is precarious in the extreme. There are some 90 million Japanese living in an area smaller than Montana—only 16 percent of which is arable. Japan has three alternatives for survival.

1. To expand trade with other free nations on a mutually beneficial basis;
2. To live on a more or less permanent subsidy from the United States;
3. To turn toward the Communist bloc in Asia not because of ideology but out of sheer economic necessity.

The attitudes of this country as well as economic circumstances in the Far East and

elsewhere will determine in the near future which path Japan shall tread.

Unity among the nations of Western Europe and ourselves can be strained by differences in policy over Formosa and that is another difficulty with which we have to contend. The attitude of certain neutral states in the Far East—countries like India, Burma, and Indonesia—toward Communist China differs from our own and creates additional problems of foreign policy. Furthermore an outbreak of hostilities in the Formosa area could signalize the resumption of hostilities in Korea and Indochina. Finally, behind all these and other factors in the Asian situation we must reckon with the tie-in of the actions of Communist China and the policy of the Soviet Union.

The difficulties in the Far East, in short, are interrelated difficulties and action to deal with any one of them is not likely to be effective unless due regard is paid to the others. Yet in recent years, it seems to me, we have been thinking of these crises and dealing with them in a piecemeal fashion. Today the question is, What are we going to do about Formosa? Yesterday it was, What are we going to do about Indochina? And the day before, What are we going to do about Korea?

The answer almost invariably has been more millions in economic or military aid dispensed in what appears often to be a disconnected and haphazard fashion. In the last 2 or 3 years we have, I repeat, contributed hundreds of millions of dollars of economic aid to Formosa and the other free countries of Asia. And we have provided billions of dollars of arms and military equipment in an attempt to strengthen their defenses. These efforts, however, have so far failed to put a stop to the recurrent crises in the Far East. Unlike the Marshall plan aid which saved Europe from famine and kept alive the light of freedom, our aid appears to have been far less effective on the other side of the globe.

As a result we have exercised in the Far East in recent years a kind of chain-reaction diplomacy, a kind of crisis-foreign policy. We have jumped from the effects of one crisis to its successor. From the Korean crisis we rushed too late to Indochina to quench a fire which had spread beyond control. We have now rushed to the fire in Formosa. We may be blinded by the glare in Formosa to the fire which is being kindled in Japan or Indonesia. We have, in short, never been ahead of the game.

That the crises continue to occur seems to me to be evidence that either our positive measures have been insufficient or the situation has been beyond our control. I think it is probably a little of both. There are limits to what we can do to control the flow of events in Asia short of war, and even with war.

That does not mean the answer is to pick up our marbles and go home. Asia is too important to us, to our security and to our other national interests to permit that kind of response. That would simply amount to postponing the day of reckoning. Furthermore, as Pope Pius XII said in his Christmas message in 1948:

"A people threatened with unjust aggression or already its victim may not remain passively indifferent, if it would think and act as befits a Christian. All the more does the solidarity of the family of nations forbid others to behave as mere spectators, in an attitude of apathetic neutrality."

In a world as integrated as is ours today the chances are slight that we alone can continue to move forward in freedom while the rest of it, whether in Europe or Asia, slips backward into communist totalitarianism. From a practical standpoint, we would have little hope for continued advance as a free people if we cut ourselves off from the spiritual, the economic, the defensive, the

cultural and the scientific relationships which we now have with other nations.

A few still cherish the notion that the United States is a self-sufficient, invulnerable fortress. They would like for the United States to turn inward in space and backward in time. We can do neither. We can only face the problems of national life in this modern world with such intelligence and courage as God has seen fit to bestow upon us.

I, for one, am convinced that we have exhausted neither our intelligence nor our courage in dealing with the situation in the Far East. The effort in the last 2 or 3 years has been confined to pouring dollars into the situation there. It has required neither great intelligence nor outstanding courage, unless it be the courage to face irate taxpayers at income-tax time.

Economic and military aid has a place in our policies in the Far East, but it is not a cure-all. It has not worked very successfully to date, yet it is the only formula that has been tried to date. It has not worked, it seems to me, because those who have operated it have overlooked one ingredient, an ingredient which does not carry a price tag and yet can be far reaching and profound in its effect.

The missing ingredient is the human factor and it is to be found in the realm of attitudes and ideas. I think that most of us would agree that "man does not live by bread alone" and we might also add that "freedom is not preserved by weapons alone." What I am trying to suggest is that the struggle in Asia is fundamentally a struggle of ideas and attitudes, a struggle for the deeper loyalties of millions of people. And if that is the case, then it is in the spiritual as well as the military and economic arenas where the long-term solutions to our difficulties in that part of the world may possibly be found.

What I am suggesting is that we examine the Asian attitudes which give rise to many of the basic problems with which we must deal. I am suggesting, too, that we examine Asian reactions to our state of mind and our actions. Perhaps, then, we will find some of the answers to the peace we seek. Such answers will not lead to a purchased peace, or a power peace. They could, however, lead to a peace based on mutual understanding.

We have grown too accustomed to wrapping all the ills of Asia into the single package marked "militant communism." Of course this threat exists; we have seen a half billion Chinese brought under the influence of that ideology. Countless millions more are threatened with it elsewhere. We have spent blood to prevent the conquest of Korea by Communist aggression. Too late, we saw Vietnam north of the 17th parallel brought within the orbit of communism. We have seen militant Communist expansionism advanced not only by armies but by political penetration, by organized propaganda, by the activities of disciplined cadres of intimidators and by calculated economic policy. The Communists have alternated military threats and the allurements of trade, industrialization, and cultural exchanges to capture converts to communism. In Indochina we see the Communists and their agents using blackmail, bribery, and intimidation in attempting to undermine the honest government of Prime Minister Ngo Dinh Diem. We see the new maps of Communist China brazenly include the territory of its southern neighbors. North Korea has been placed within a stranglehold of Communist control. And now, the Communist sword is pointed at Formosa.

It is all too evident that militant communism is a force in Asia. But why, we may well ask ourselves, has it not met with more resistance? Why haven't Asian patriots who in great measure were stimulated by our own history interposed a more formidable bulwark to the Communist advance?

Some have assumed in recent years, in a cynical fashion, that merely by pouring billions of dollars into Asia, we could guide that continent toward our own precepts of democracy; some have also assumed that by arming Asian nations heavily we could prevent Communist penetration. These efforts may have been necessary, but as I have already said, I do not think they have been conspicuously successful. Why is that the case?

Perhaps we may find part of the answer to that question in the experience of Indochina. As you may know, I have had occasion to visit that area in the course of official duties on several occasions in recent years.

We poured hundreds of millions of dollars in military and other aid into Indochina, into the State of Vietnam, in an effort to help repulse the Communists. This aid failed to prevent the disastrous defeat of the French colonial forces at the battle of Dienbienphu last year. It failed to prevent the loss of northern Vietnam to the Communists at the Geneva Conference.

Months before the defeat at Dienbienphu I had reported to the Senate that Vietnam was not going to be saved by economic and military aid alone. The fundamental problem then as now was one of mobilizing the people of Vietnam behind an independent, honest, responsible government able to lead them and to serve their interests.

At the 11th hour, when the Indochinese situation was lost almost beyond retrieving, a government of that caliber was installed in the Vietnamese capital of Saigon. It was headed by Ngo Dinh Diem, a Vietnamese patriot of deep religious conviction, who had spent a good deal of time in the United States and France.

Diem faced monumental problems. The State of Vietnam was split across the middle by the Geneva agreement. The Communists had fastened a tight grip on the northern half of the country. In the south near anarchy reigned outside the capital. Diem had to establish the authority of his government while at the same time providing food, shelter, and a livelihood for some 700,000 refugees from the Communist-held parts of the country.

When I was in Saigon last fall refugee ships were arriving in a steady stream from the north. Most of them were American vessels; our Navy was doing a magnificent job in transporting these uprooted human beings. I went aboard one of these American ships in Saigon Harbor. It was carrying several thousand Vietnamese, mostly Catholics, led by their priests. They had chosen to come to the south with nothing but the rags on their backs rather than to live under the Communists.

In his attempts to salvage the situation in Vietnam, Ngo Dinh Diem has had the support and encouragement of the United States. At the same time, he has been opposed, not only by the Communists, but by a fantastic assortment of gangsters, racketeers, ex-river pirates, witch doctors of strange religious sects, and French colonial adventurers, all of whom had terrorized and exploited the Vietnamese people for years.

These underworld forces, as I pointed out in a report to the Senate some 8 months ago, were engaged in a constant conspiracy designed to sabotage the Diem government almost from the moment he took office. The conspiracy finally came into the open and staged the revolt in Saigon which you have been reading about in the papers during the last few weeks.

The conspiracy has been defeated. It has been defeated largely because there was in Ngo Dinh Diem a native non-Communist leader who had the spirit and the courage to champion the independence and the interests of his people against their oppressors. Now, for the first time, there is at least a glimmer of hope that Communist totalitarianism in Vietnam may be stopped and turned

back. Now, for the first time, freedom has a fighting chance.

What does this experience in Indochina suggest for our policy respecting the rest of the Far East? It suggests to me that part of our difficulty has been due to an unwarranted emphasis on the material and our ignoring of the spiritual factors which move people in that part of the world.

Although the era of colonialism is almost over in Asia, its after effects remain. There is extreme sensitivity among Asians and especially among Asian leaders about being recognized and dealt with on a basis of absolute equality. There exists most of all an ever-present sensitivity, an often unreasonable sensitivity, to any action which resembles a return of the colonial relationships of an earlier era. And force, the military force of foreign powers, is associated very closely in their minds with colonialism.

These deep-seated attitudes of Asia toward the West form a base which is readily exploited by Communist propaganda. As Asians look at the West from these attitudes, and particularly as they view the United States there is a tendency for many of them to interpret present United States policy as a policy which emphasizes force. When irresponsible spokesmen for the Government boast of our power, it undermines our dignity and our prestige. For the mightiest power on the face of the earth to flaunt its strength in this manner is readily interpreted in Asia in the light of a man who threatens to shoot his neighbor if the latter's cow comes into his pasture. The Asian, like the average American, would prefer that he keep his pistol out of sight and discuss the problem of mending the fence.

To be sure, the reactions vary in different parts of Asia, but I think it is correct to say that Asians in general, including the Chinese people—in spite of recent actions stimulated by their Communist rulers—are a peaceful people and they tend to admire the strong who are also peaceful. Much of the great respect which this country enjoyed in Asia in the past derived from that fact. President Theodore Roosevelt's admonition to "speak softly but carry a big stick" won us a backlog of goodwill in Asia. This sensible advice seems to have been forgotten by too many of our present leaders.

Those who know the peoples of Asia, and I know there are several here today who have given years of selfless service in that region, can attest to the great emphasis which they place on negotiations. A spirit of negotiation permeates their everyday life; it involves adjustments and give-and-take and prolonged discussion. Those who know Asia will also attest to the lack of the visible use of force in the everyday relations among Asians.

The constant mention of force by our leaders therefore is easily misinterpreted in the Far East. Instead of enhancing the strength of our position it has the effect of suggesting that we are incapable of coping with the situation on a plane of reason. The irony in this situation is that communism, where it is not known firsthand in Asia, is portrayed and widely accepted as a movement for peace despite the fact that its deity is force. This country, which has grown to greatness on the premise of reason rather than coercion in relations among men and nations, is branded in the minds of many Asians as a worshipper of force.

Communist propaganda of that kind aided by the irresponsible and boastful statements of some of our own officials negates much of the good that is done by our constructive efforts in Asia. What then should be the role of force in our policy in Asia? We know that in all realism no great power, least of all the United States, can afford at present to abandon or weaken its military power on a unilateral basis. We must continue to maintain our military defenses in the Far East. Is it not, however, in the interest of

peace in Asia, and in our own national interest, that we relegate force to the background? Is it not in our interest to explore any measure which offers some hope of leading to peace?

As a first step it seems to me essential that we keep clearly in mind that our national interest in the Formosan area is the defense of the islands of Formosa and the Pescadores; President Eisenhower, in submitting the Formosan resolution to Congress, stressed that point. He also made clear that he was trying to prevent further warfare in the Formosan Straits rather than to enlarge the conflict. In that objective, the President should have the full support of the people of the Nation regardless of political parties.

I believe it is also essential to recognize that it is not enough to build a military wall to contain communism in the Far East. We must maintain adequate defenses there, but in the foreground our energy, our intellect, and our courage should be directed toward building bridges of understanding across the chasms which separate the free nations.

It will take more than what we call military and give-away economic aid to do that. The challenge is to move into spheres of co-operation in which the common progress of all free nations becomes possible. If we are equal to that challenge, if we have the patience and understanding to stay with it, we need have no fear of the outcome of this contest between totalitarian communism and freedom—in Asia, in Europe, or anywhere else.

I believe the President is trying to move in that direction now and in so doing he has had the encouragement and support of a preponderance of the Senate. He has many times in recent months emphasized the need of a policy of partnership. Such a policy calls for close collaboration with other free nations based on national equality, mutual respect, tolerance of differences, and free association for the pursuit of essentially common goals.

Partnership in international affairs, if it is to be successful, requires forbearance, compassion, understanding and accommodation. It is not an easy approach to foreign policy. It means give and take. If it succeeds, however, it can produce a united strength which will make each free nation impervious both to the blustering threats and the glittering allures of Communist totalitarianism. Most of all it will provide an international environment in which individuals in this country and elsewhere will have an opportunity to develop and to prosper in peace.

Bananas on Pikes Peak?

EXTENSION OF REMARKS OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. HOSMER. Mr. Speaker, the Congress might as well appropriate money to grow bananas on Pikes Peak as to approve the Paonia irrigation project in Colorado.

The Paonia project is a part of the proposed multi-billion-dollar upper Colorado River project.

The cost to the Nation's taxpayers of the Paonia project would be \$2,400 an acre.

The project would grow agricultural products now supported by the taxpayers and in great surplus. Among these are grains and dairy products.

Hearings Before House Antitrust Subcommittee

EXTENSION OF REMARKS OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. CELLER. Mr. Speaker, in my statement on May 10 opening the hearings on emerging monopoly problems by the Antitrust Subcommittee of the House Committee on the Judiciary, I pointed out the six major reasons why our antitrust inquiry had been launched:

First. To probe deeply into the operation and enforcement of the antitrust laws at this time.

Second. To assess the dimensions of, and generating forces behind, the current merger movement.

Third. To study the adjustments in antitrust policy made necessary by new foreign economic policies here and abroad.

Fourth. To secure up-to-date information from political, industrial, agricultural, and labor leaders concerning the new monopoly problems which they now face because of the new forces now transmuting the economy.

Fifth. To provide a forum for the presentation, from all points of view, of recommendations concerning remedial measures whereby present antitrust laws might be flexibly adapted to preserve and promote strong, independent, growing, competitive enterprises.

Sixth. To take inventory of the political and social dangers now involved in concentration of decision-making in the hands of giant aggregates of economic power. As Shakespeare stated in Measure for Measure. It is excellent to have a giant's strength; but it is tyrannous to use it like a giant.

On all these points the Antitrust Subcommittee had the privilege of listening to antitrust experts from every walk of life inside and outside the Government. Senator ESTES KEFAUVER, of Tennessee; Senator JOSEPH C. O'MAHONEY, of Wyoming; Senator PAUL H. DOUGLAS, of Illinois; Senator WAYNE MORSE, of Oregon; and Congressman WRIGHT PATMAN, of Texas; Congressman HENRY S. REUSS, of Wisconsin; and Congressman ABRAHAM MULTER, of New York, gave generously of their counsel and knowledge derived from their rich experience in the antitrust field.

The Antitrust Subcommittee was likewise most fortunate in eliciting highly thoughtful and detailed presentations and recommendations from several of the Nation's most eminent university specialists in antitrust matters, including such veterans of years of responsible service in the Antitrust Division and leading professors of law and economics as Prof. Louis B. Schwartz, of the Law School of the University of Pennsylvania; Prof. Leonard J. Emmerglick, of the School of Law of Georgetown University; Mr. Sigmund Timberg, for many years Chief of the Judgments and Judgment Enforcement Section of the Anti-

trust Division; Prof. Milton Handler, of the Law School of Columbia University; Prof. Walter Adams, of Michigan State; and Prof. Eugene V. Rostow, of the Yale Law School.

Witnesses were heard representing the Chamber of Commerce of the United States, the National Association of Manufacturers, important trade associations, leading farm and labor organizations, and many national retail and wholesale grocery, tire, petroleum, candy, and druggist associations.

On the first of the six matters mentioned above, that of enforcement of the antitrust laws, the Antitrust Subcommittee received testimony from several witnesses, including Assistant Attorney General Barnes, in charge of the Antitrust Division; Chairman Edward F. Howrey, of the Federal Trade Commission; and, among several others, Prof. S. Chesterfield Oppenheim, cochairman of the Attorney General's Committee To Study the Antitrust Laws, which in its report on March 31, 1955, made no less than 73 suggestions of general guides or recommendations to enforcement agencies and the courts. Practically all of these were bitterly attacked by associations representing small business, farm, labor, retail and wholesale organizations, university professors, lawyers for private plaintiffs in antitrust cases—in fact, by nearly every group except giant business organizations.

While more evidence and testimony is obviously necessary to determine which, if any, of these suggestions merit embodiment in actual policy, the hearings have already borne fruit: First, in apprising Government agencies that many of these suggestions may contravene the will and intent of the Congress, and, secondly, in evoking increased support for measures, two of which I have introduced that have now passed the House, and are presently awaiting action by the Senate. These are H. R. 3659, raising the maximum fine for violation of the antitrust laws from \$5,000 to \$50,000, and H. R. 4954, permitting the Government of the United States to recover as a party injured by antitrust violations and setting a uniform statute of limitation at 4 years in private antitrust cases. Senator SPARKMAN introduced a bill, S. 2075, that requires any corporation with assets over \$1 million to give 90 days' notice to the Department of Justice and the Federal Trade Commission before consummating or being a party to a merger. Congressman PATMAN has introduced a bill, H. R. 6748, that not only requires advance notification but suspends a merger if a complaint is filed by the enforcement agencies.

Other bills have also been dropped in the hopper such as mine, H. R. 6404, reversing the Glenshaw decision taxing the entire amount of a treble damage recovery, and Representative WALTER's, H. R. 4958, on the problem of triple damages. As more evidence is accumulated and digested no doubt other bills will be drafted, debated, and passed.

The testimony relative to the current wave of mergers, item 2 above, was voluminous. The Federal Trade Commission, on May 20, 1955, brought out its Report on Corporate Mergers and Acqui-

sitions, which documented such facts as that it is the large firms that are merging at present rather than the small; and that 2 out of 5 acquisitions consist of "additional capacity to supply a market already supplied by the acquirer." In addition, Mr. George F. Mooney, superintendent of banks for the State of New York, Mr. Gidney, Comptroller of the Currency, and others gave extensive statistical documentation of the present-day trend to mergers in the banking field.

Again there have been certain immediate results. In addition to the bills already mentioned strengthening the Celler-Kefauver Antimerger Act, there are several measures designed to apply the standards laid down in that act to the entire field of industry and finance, whether regulated by Government or not. Such as H. R. 2115, that originated with the Federal Reserve Board, and my bills, H. R. 6405 and 5948, the former amending the Federal Deposit Insurance Act, the latter the Celler-Kefauver Antimerger Act, both bringing bank mergers within the orbit of the Clayton Act policy of keeping whatever free, independent profitably competitive enterprises we have wherever it is working effectively. To let a vigorous, independent unit swallow another like unto it in strength and competitive vigor is to sanction an economic cannibalism destructive of the American system of free, competitive enterprise.

Perhaps in no area do our antitrust laws require greater strengthening and modernization than in the field of foreign trade and foreign economic policy. It is here that better economic weapons are urgently needed wherewith to win the cold war on the economic front.

The evidence presented by Prof. Leonard J. Emmerglick, Thorsten Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs, Sigmund Timberg, and Eugene V. Rostow was most disturbing. In fact, the testimony with respect to the Iranian Oil Consortium and the operations of the alleged international oil cartel revealed such jeopardy to the national security interests of this country that I announced the intention of the antitrust subcommittee to hold soon a complete investigation in this field. Such extensive international commercial agreements in practical effect constitute private treaties between American companies and foreign governments, which are undertaken and consummated without adequate control or supervision by duly constituted authorities of the United States Government.

Numerous recommendations were made concerning antitrust policy in the foreign economic field. Mr. Timberg advocated repeal of the Webb-Pomerene Act since the position of American firms in export markets no longer resembles that of 1918. He also suggested legislation reducing or removing the tariff protection on commodities produced or sold by firms found guilty of violating the antitrust laws. He urged implementation of the Thyne amendment and together with Professor Rostow castigated the action which on April 4, 1955, terminated United States membership in the United Nations Ad Hoc Committee on Restrictive Business Practices. They

pointed out that notions of extensive cartelism abroad are hangovers of the Fascist-Nazi period and completely ignore the extensive liberalization of trade that has taken place under the aegis of the Marshall plan. Removal of Fascist trade barriers and of war controls coupled with the inauguration of controls over cartels have created a new freedom of enterprise which has been an important factor bringing West Germany and Europe generally to an all-time high in prosperity.

The fourth item—current vexing monopoly problems—was dealt with by almost a score of witnesses from every field of commerce, industry, and labor. The gas-station owners, the tire dealers, the wholesale grocers, the retail druggists, the cooperatives, small-business men—all gave concrete and direct witness of their difficulties. In this connection Dr. Julian Caplan, of San Francisco, became the first expert to be heard in recent years whose practice covered representation of plaintiffs in private antitrust actions. From his decade of experience he gave the Antitrust Subcommittee extensive documentation concerning the plight of small west coast steel fabricators who compete with subsidiaries or operating departments of large integrated steel producers but are dependent upon "big steel" for sheet or other semifabricated materials. His evidence taken from court records of cases settled in favor of the plaintiff both in and out of court showed coercion, intimidation, obstructive and discriminatory tactics in delivery of materials and even as condition of settlement in one case the brazen and, in my judgment, clearly illegal requirement that plaintiff bind his lawyers not to take on a single additional antitrust case for a period of 5 year.

The evidence here became crystal clear that there are hundreds of thousands of small-business men and farmers who regard themselves as victims of monopoly practices. There seem to be a dozen or more areas here crying for intensive investigation. Senator WAYNE MORSE opened up a Pandora's box of monopoly problems in the field of electric power. Senator DOUGLAS highlighted the plight of the farmer squeezed between the upper millstone of higher prices for the things he buys, farm machinery, fertilizers and other finished goods—and the lower millstone of declining prices for the things he sells. Such monopolistic price spreads and huge accumulations of corporate profits brought on the depression of 1929, he warned. Senator KEFAUVER, Congressman PATMAN, and others called for intensive scrutiny of the impact of monopoloid enterprises and restrictive trade tactics upon retailers and wholesalers, notably of tires, gasoline, food, and drugs. Senator O'MAHONEY showed how, despite explicit congressional policy, no new entries had been certificated among the trunk airlines since 1938, the field being wholly preserved by the Civil Aeronautics Board for 16—due to mergers, now 13—"grandfather" carriers. Congressman REUSS suggested an exhaustive probe of the forces which manage to award some \$30 billion of Government

procurement contracts almost wholly to large firms despite heroic efforts and constant investigation by the Senate Small Business Committee and the Small Business Administration to get a fair share for small business. Congressman MULTER advocated further examination of bank mergers. And so on.

Equally diverse and numerous were the recommendations—point 5 above—tentatively offered for study and action. The witnesses can be readily counted on the fingers of one hand who testified with respect to the Attorney General's report that all of the 12 recommendations for legislation and the 73 suggestions for enforcement be endorsed. More than 9 out of 10 witnesses dissented to a lesser or greater extent, primarily on the grounds of their conviction that the antitrust laws should be strengthened rather than weakened.

Many thoughtful and important substitute proposals were made to the Antitrust Subcommittee. So numerous were they, in fact, that only a small sample can be accorded space in this preliminary report. The subcommittee was urged to look into the pros and cons of legislation, for example, which might prohibit companies of specified size from merging except upon advance approval based on a showing of technological necessity, or which might repeal the Reed-Bulwinkle bill, or repeal the McGuire Act, or amend the Motor Carrier Act to eliminate control of entry and rates for trucks and buses, or prohibit restrictive licensing of patents by large patentees. In addition, the Antitrust Subcommittee was urged, for example, to compile a list of the restraint of trade cases brought against the "100 largest" firms, thereby identifying habitual offenders; to examine carefully a few leading patent pools; to conduct pilot studies of a few of the very largest industrial giants with a view to drawing up tentative reorganization plans that might limit such enterprises to activities geared in kind and volume to minimum technological requirements; to compile a who's who of megalomania, that is, of representatives and ideological fellow travelers of giant enterprises or their satellites who comprise the big-business network in Federal and State Governments; and others of this genre.

The sixth and last reason for probing antitrust and monopoly problems, the fear that concentration of power in industry, in labor, and in agriculture may generate concentration of power in government, ran like a connecting thread through the testimony of nearly all witnesses. They repeatedly stressed the urgent need for full investigation of monopolistic trends and abuses to protect the country against the threat of unlimited agglomerations of private power of such proportions as to be inconsistent with the survival of genuine private enterprise or the successful functioning of democracy itself.

A highly interesting development in the hearings on this point was the emphasis on the need for tightening incorporation laws, and especially the revival of a proposal long advocated by Senator O'MAHONEY that a national rule be established for national corporations. This proposal was made the subject of a

special message by President Theodore Roosevelt, was endorsed by Presidents William Howard Taft and Woodrow Wilson, and has been urged by numerous experts on antitrust problems up to the present day. Of interest is the fact that the Twentieth Century Fund in its three-volume study of cartels and competition puts first and foremost a proposal for Federal incorporation.

Finally, the hearings of our Antitrust Subcommittee reemphasized that the basic goals of the American way of life are individual freedom first and foremost, then a system of justice establishing the zones of creative voluntarism within which a maximum of individual freedom can be obtained; and third, and least important, economic efficiency. It is not enough for big enterprise merely to be efficient. It must not limit freedom or generate injustice. Americans have repeatedly given heavily of their treasure to preserve their freedom. Vigorous enforcement of the antitrust laws that preserves small business and other recruiting centers for managerial skill and free enterprise is necessary for the preservation of democracy.

Address by Robert B. Anderson, Deputy Secretary of Defense, Before the Graduating Class, University of Texas, Austin, Tex., Saturday, June 4, 1955

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein an address by Robert B. Anderson, Deputy Secretary of Defense, to the graduating class of the University of Texas on Saturday, June 4, 1955.

I commend this address to you for thoughtful reading. It is a very able address delivered by a very able man.

The address follows:

ADDRESS BY ROBERT B. ANDERSON, DEPUTY SECRETARY OF DEFENSE, BEFORE THE GRADUATING CLASS, UNIVERSITY OF TEXAS, AUSTIN, TEX., SATURDAY, JUNE 4, 1955

Into the crucible of his experience, man has poured the elements of time, endless effort, experimentation, hope, drudgery, and slavery, and a multitude of other concomitants, all aimed at producing things and services suited to his requirements. The products of this crucible have been continuous—some of them good and some evil; some of them tangible and other describable only in terms of a general sensing and appreciation. Through the course of history man's lot has been shaped by the adding of ingredients, the achievement or failure of production, the masters of the brew and the uses of the end results.

Ever so often the pot boils furiously and man's hopes are raised or new fears are generated. Some of the time the restless tides of human activity are perceptibly slow and progress seems to retrograde, although measured in centuries this appearance is essentially unreal. Thus the panorama moves on. At any given point of time and place

in history there always seeps into man's consciousness the realization that this moment, and only this moment, is his. Hence he represents the conjunction of the past with the future in the transiency of the present. What of today? What of tomorrow? What of the measurement of opportunity? How great is the challenge to effort? How rich is the reward of achievement? What to be hoped for? What do we dream of? Where is the door to the undiscovered, the key to the locks of comprehension and creativeness?

In recent months many of the headlines in America and around the world have told of the development of power and the strength of nations; the capabilities of violence, the destructive uses to which energy can be put.

There has been a parade of dreary items of uncertainty, crisis, and danger.

We cannot turn our backs upon these grim realities of our time, and this we will not do. We have, and we will maintain, both the military capability and the resolution to fulfill our role as one of the primary custodians of freedom and hope for the whole world.

But tonight I come to join with you in lifting the veil to see what may lie beyond us that can give new reality to hope and new purpose to life.

A recent example of the opening of the door to the future is the unfolding story of man's first conquest of polio, offering freedom and escape from a crippling disease. For this our hearts are filled with thanksgiving.

Thus the progress of medicine moves along its way, healing the sick, relieving pain and wretchedness, and enabling people to live longer, healthier, and more enjoyable lives. And we are assured that, while medicine is thus contributing significantly to man's health and comfort, the discoveries and innovations we are making everywhere else in the realm of natural science are likewise adding to the prospects of a more abundant life for people. In almost every way the years ahead will be marked by breathtaking scientific progress, which may or may not be employed in ways which add to the prospects of human happiness. But the opportunities for good certainly will be there, and to a large extent the choice as to how we dispose of them will be ours.

With the coming of the fission and fusion of the atom, mass became directly convertible to energy, and the greatest source of power of all time became in a measure subject to man's control. This triumph of science has been regarded with a marked ambivalence by our people. Inadequately controlled, it could presage a new age of destruction and fear—fear of the unknown and of those who would use this power destructively, and fear that man's capacity for moral and political responsibility cannot measure up to its demands.

Yet at the same time, it represents the hope of a vast new source of productive energy which may in time free millions of human beings from the necessity of physical drudgery, and in so doing create the material conditions in which life, liberty, and the pursuit of happiness may have meaningful reality to those who now are able to regard them only as vague and distant abstractions.

This does not mean—it should not mean—the lessening of a demand for useful work. Labor is indispensable to useful life, and usefulness is indispensable to happiness. It means rather that man—freed from the drudgery of toil, may address his talents to a higher order of intelligent achievement, to the discovery of the new, to the order of society by examination of cause and effect, and to the other endless pursuits which may stem from the efforts of beings created in the image of God.

Last year saw the beginning of the first atomic powerplant for commercial use, at Shippingport, Pa. This plant, and the many

which will someday follow it, will supplement the power installations utilizing conventional fuels as we prepare to meet a demand for mechanical energy which is almost certain to double by 1980. Our experience with the sea trials of the submarine *Nautilus* daily increases our knowledge of the possibilities of the atomic engine for the whole field of marine propulsion. This knowledge we shall put to excellent use in the next few years as we proceed with the construction of the world's first nuclear-powered merchant ship.

But the production of usable energy is only one of the many possibilities of the peaceful atom. From the progress of our experiments in producing beneficial mutations in plants, we can hope to reduce some of our staggering agricultural production loss to diseases such as rust and wilt. Meat exposed to mild gamma-ray pasteurization can be kept safely for much longer periods than formerly. Radioactive isotopes are used as tools of measurement and observation in factories, laboratories, and hospitals all over the country. Radiocobalt, radioiodine and radiophosphorus are regularly used in the diagnosis and treatment of diseases such as cancer and leukemia.

A look at what is transpiring in our laboratories today gives some clue as to what we may someday expect to see in common practice. It is of course true that many successful laboratory experiments never get out of the laboratory stage, but our State of material abundance attests to the fact that a great many of them do. About 2 years ago scientists at MIT succeeded in decomposing water into its component elements of hydrogen and oxygen using only solar energy aided by catalysts, and last year at the University of California, sunlight was actually harnessed to create starch and sugar from carbon dioxide and water for the first time outside the living cells of green plants. We have developed a battery which yields electric energy directly from the sun's rays. We have discovered chemicals which kill cancer cells without harming the normal cells about them. We have heated houses entirely through the radiant energy of the sun. We have done some astonishing things with chlorella, a sea plant which holds promise of becoming an important source of food. We have found ways to make sea water drinkable without resorting to the process of distillation. We have discovered and developed new techniques in the production and utilization of petroleum and coal.

Meanwhile we are witnessing a continuing increase in the productivity of an economy that is already maintaining the world's highest standard of living on a 42-hour average workweek. The continued development of our industrial technology holds out the prospect that the American family in 1980 may have an income after taxes of almost half again what it was last year on the basis of a workweek which may not exceed 36 hours.

If any proof were needed of man's ultimate capacity to master his physical environment, it would seem that the example of America in mid-20th century would be sufficient. There is no question about that. It can be said that man is substantially the master of the physical world about him. Yet all these scientific triumphs have a common characteristic; they belong to the external world of things. They are the product—not the essence—of man's creativeness, his humanness, his divine relationship with his Heavenly Father. We must not forget that. We must not forget that these things have meaning only to the extent that they serve to enhance the dignity, the uniqueness, and the separateness of men as individuals. We are resolved not to produce a society of human automatons, conditioned like Pavlov's dogs to a dreary set of uniform signal responses to outside stimulation. We shall

instead produce a material environment which tends to differentiate people, not drive them together into some drab and formless egalitarianism, which promotes individuality rather than conformity, which demands from each member the very best of his own distinctly personal contribution to the group. We shall direct our energies to realizing a world in which material advances mean increased possibilities for the further expression of human talents, ideas, abilities, and creativeness.

These objectives require that the improvements to our social structure, such as our political organism and our systems of production and distribution, keep equal pace with our advances in the physical sciences. I know of no more auspicious climate for such a demonstration than that provided by America. Here is the birthplace of government by all the people. Here religious freedom is not only written into organic law, but, more importantly, it is practiced in the customs and mores of the people. Freedom of person, of speech, and of the press are specifically provided for in our Bill of Rights. Our legal system is based upon an immutable higher law above the passion and prejudice of man in the fallibility of his interpretation. We work constantly to improve its integrity.

The philosophy of our competitive economy announces the thesis that if man works to produce the goods and services required by others for the betterment of life, his own lot may be benefited by additions of goods and services as well. Other theories of economy—that of the Communist and Fascist dictatorships—improve the lot of the favored few by the appropriation of the labors of the rest. Only in a free world with the privilege of competition does the whole level of living standards rise at one time, and only in a free world are there rewards in proportion to the energy, the resourcefulness, and the pride of workmanship which a man invests in his contribution to society.

It is one of the high offices of education to keep our material opulence and success in its proper perspective; to make it meaningful in terms of human living; to differentiate between culture and the things it uses. It is a continuous task, one which must be undertaken anew each year and each generation. For no people can "inherit" a civilization merely by falling heir to its material relics. Civilization is a matter of spirit; of conviction and belief; of folkway and tradition. It is a shared attitude toward life and living that is felt and practiced by a whole people, into which each succeeding generation is born, and upon which it is nurtured throughout childhood to maturity. Within this great and endless process the university finds its place not merely as the repository of accumulated wisdom, but as a source of new truth and new understanding which dedicated men and women may present to the world of their own time and to all those who follow them. I dare say that there are few, indeed, among you for whom tonight marks the effective end of your contact with this university. More than likely its influence will touch your life again and again over the years of the future, in ways so intimate as to be surprising. For the future is inextricably bound up with the present and the past. Society is, as Burke reminds us, "a contract. It is a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection. And as the ends of such a partnership cannot be obtained in many generations, it becomes a partnership not only between those now living, but between those who are living, those who are dead, and those who are not yet born."

We are thus within and of the great stream of humanity, receiving of its bounty and morally bound to return to it all that our efforts can bring forth in a lifetime of useful endeavor.

Unused knowledge, for example, serves little better than ignorance. In fact, it may well be worse, because it represents a waste, not only of the talent and capacity of him who possesses it, but to that extent, it means also a waste of the efforts and contributions of all those who made it possible for such knowledge to be owned without being used. Learning is a privilege which all too few enjoy, and because it is thus a privilege, it carries with it the responsibility that it be intensively and productively employed in ways which contribute to the prospects of human happiness in our world.

In pursuit of this objective, we are concerned with the past because we must use the tools and the knowledge it has given us; we are concerned with the present because we must live in it, largely within the scheme of things as they exist. It is only the future which we are free to influence, and to which we have any chance of making a real contribution.

So the future becomes the justification for the existence of those who live in the present. It will be largely the kind of future that we have the wit, the wisdom, and the moral goodness to make. At all events it is certain to be a very lively one. But if it is to be productive in the sense that there is a spreading and diffusion of those values upon which our civilization is founded and from which it draws its strength, it will only be because we who are the present custodians embrace them with genuine conviction, live by them, and include them in our legacy to the world of our children. It is not simply a matter of copybook answers or of any ritualistic laying-on of hands. It is a matter of loving and hating the proper things; a matter of rejecting that which is known to be false in favor of that which is known to be true; of putting principle before expediency, of cherishing universal values rather than those of limited worth and application. It is a problem of stark realism and honesty in the evaluation of fact; it is one of meshing humanity and science; of balancing frailties and determinations; of recognizing responsibility and acknowledging both the restraint and demand of unimpeded conscience. The future will depend upon the instruments which we are able to bring to its solution: our moral conviction, our vision, our wisdom, and our will.

Is Moscow's "Sweet Reasonableness" a Mirage?

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.
OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks, I wish to include the following address I delivered at the Memorial Day exercises of the Veterans of Foreign Wars at Seaford, Del., May 30, 1955:

IS MOSCOW'S "SWEET REASONABLENESS" A MIRAGE?

Memorial Day this year occurs at one of the most strategic moments in a very critical era of world history.

It is for this reason that I propose to give you—if I may—a briefing, that's what they call it in Washington, a briefing, from my own angle of vision, on the situation that confronts the free world.

I hope this briefing is even more pertinent because I am addressing myself particularly to the American veterans.

American veterans, I know, have a prior right to avail themselves of my impressions, a prior right also to my services as their Representative in Washington and in the Congress. As your Representative at Large, I suppose I am correct in regarding myself your eyes and your ears, in fact, your voice and your will at the heart of the Government of the United States where the decisions are made that affect the lives of us all and that will determine the survival of the free world.

Let me disabuse you to begin with of any notions that you may have from what I have just said that I am going to let you in on some top secrets. On the contrary, I hope very much today that the Kremlin has an agent in this audience to report back to Moscow precisely and accurately and fully what I am going to say.

The first point I have to make and that I wish the Kremlin to recognize is that Soviet Russia has no credit—no credit whatever—for integrity with the free world and that this credit for integrity is even less than zero with the Government of the United States.

If we start from that position, we can then proceed to evaluate realistically what has been happening in recent weeks: The strategic moments I spoke of in this critical era of world history.

Little Austria has her independence back again. To be sure, it is a bit shriveled. Her substance has been drawn out of her by the greedy paw of the Soviet Union. But nevertheless, she has her independence. And the Soviet Union did make concessions—precisely those concessions she had failed to make all along, which would have permitted sovereignty returned to Austria 6 years ago. One of the concessions, just incidentally, to achieve this end, was the relinquishment by the Soviet Union of its cruel claim to the lives of refugees from communism in Austria. It had hoped to bring them back for punishment—and we can imagine the kind of punishment—behind the Iron Curtain.

Thus the Soviet Union on this point and others reversed itself in signing the Austrian Treaty.

The Soviet Union has been making gracious overtures to dictator Tito of Yugoslavia, its estranged fellow Communist and semi-enemy. Tito replied by all but slapping the Soviet Union in the face with his declaration of his continually favorable attitude toward the West, irrespective of what the Kremlin delegates to Belgrade may propose. Tito, who should know the Kremlin even better than we know it, has no faith in Soviet diplomacy either. But the Yugoslav dictator remains loyal to the Communist techniques. He has been talking to the West more recently in the same tone he has applied to the East. It looks at the moment as if he were playing both ends from the middle.

We know also that the wily Soviet commissars are engaged right now in what they hope is a monumental realignment of the international power situation in Europe and that the major key in this alignment is Germany and its possible unification under some questionable stipulations of guaranteed neutrality as between the East and the West, thus alienating the rebuilt free Germany from its Western alliance. The Soviet Union would undoubtedly like to weaken NATO—if possible even nullify it—and strike some kind of a bargain whereby the painfully constructed, democratically negotiated defenses we have built up in Europe against possible Soviet aggression, would be turned into so much scrap. And by defenses I mean both military bases as well as diplomatic safeguards, and economic and political fortifications.

This could then be expected to have repercussions in the Far East with like results.

The Soviets have accepted the invitation of the Western governments for a meeting

"at the summit." They have even been making pleasant little personal overtures to the White House in the form of letters of admiration from Marshal Zhukov, the Soviet Defense Minister, to the President. This was followed up by a message of "friendly greetings" from Marshal Sokolovsky through Americans visiting Moscow on the occasion of the 10th anniversary of the meeting of American and Russian Armies on the Elbe. The Communist oligarchy seems at the moment to be in a state of lull from the business of murdering one another. And this has afforded them the opportunity to make themselves seem as if they have indeed rendered themselves harmless to world peace.

Now we live in a thermonuclear age, and we know there is no such thing as winning a war even if you win it. That's the paradox of world war III. And there are those who find that even if you should win the third world war, you are very likely to lose much more than you win: civilization itself. This fact plus the horror of the two World Wars this generation has been through—and the cost—have deeply intensified the instinctual desire of the average American for peace and decency. It is a feeling we share with the British and the French—with all of Europe and the East. In fact, it is a feeling we share, I am sure, with the oppressed and harassed Russian people themselves, mass victims of a form of government known as the police state.

The free world is thus caught between the Soviet threat and the risk of world destruction, partial or total. And over all hangs the danger of the psychology of a dynamic oligarchy of diplomatic and political gamblers—without moral principle—who may play with the peace and safety of the world, as some of their compatriots are known to play Russian roulette. The world—slave and free—is thus at the mercy of ruthlessness and caprice.

There are Yalta and Potsdam, Moscow and Berlin, the United Nations and Korea, Geneva and Bandung—a hundred and one conferences—to testify to a voluminous record, with full documentation, of Communist trickery and betrayal.

What policies we shall pursue with such an antagonist will depend upon many factors, and I do not propose today to invade the province of the President, his Secretary of State, and the leaders of Congress who are engaged in this very sensitive and crucial area of direct decision. I ask only for a reemphasis on what we already know: The Soviet Union has no credit for integrity with us and with the free world. That is the conviction, I believe, of the American people. In this, I am sure, all American veterans will go along with me and my fellow citizens here in Delaware. Nor will we seek to obstruct—those of us who have these suspicions of the Soviet Union—any negotiations that may develop and are in process now. If there is good to come of what is now going on, let it come.

If Zhukov and Sokolovsky mean their friendly greetings to the President and they have the power to act, let it happen. If there is an iota of sincerity from the Soviet side in the Austrian Treaty, let us on the show of proof act accordingly. If the death of Stalin means in fact a change in the aggressive expansionism of the Soviet Union let us, by all means, take the fullest advantage of this change of heart, for the good of all the world. A meeting at the summit or a meeting at the base, or a meeting at any of the intermediary points, if it will advance the cause of peace another inch, another minute, another dollar's worth, is in order.

All I can say from the conduct of the past of Soviet negotiations and from the known facts about Soviet philosophy, and the teachings of Stalin and Lenin is that I—for one—cannot be made to believe it. For me, it is

not enough that the parties to any negotiations in the future are in oral agreement, however clearly and plainly, in any form of words. For me it is not enough that the parties to such negotiations put it all down in writing, spelling out the details, item for item, and word for word, in a commonly understood mutual translation of each other's language.

All I can say is that nothing is enough—except performance.

Performance is enough. We cannot accept anything less.

That means that every move we make should depend upon our strength and not upon the supposition of honest dealing and anticipated performance from the other side of the conference table. Nothing can be accepted by the West less than the deed itself. And this must be so implemented that the continuing guaranties will insure the physical impossibility of a betrayal of a Soviet promise, or a reversal after the promise is half or all fulfilled.

I make no recommendations of policy, and I have the highest respect for those vested with that responsibility, on both sides of the aisle in Congress and in the administration.

All I say is that for me the Soviet Union is now playing a complicated game of chess and we shall be on the alert at every move. It is right and good that they shall know they are not trusted. That is why I hope my words today, however humble and however slight, may be heard in the Kremlin as a symptom of what all the American people think. A nation without credit for integrity cannot through a spurge for world attention and by making minor concessions—still minor as of this hour, I insist—come to the bargaining table and expect us to fool ourselves into believing that her unclean hands are clean. They drip with blood and the lost liberties of vast masses of the earth's population.

We must not forget that Communist tyranny rules one-fourth of the world's surface and one-third of the earth's population.

How much of it will they give up to prove their good will?

How much of the tyranny they have exercised and the powers they have usurped will they surrender in the captive countries of Poland, Hungary, Albania, Czechoslovakia, Bulgaria, Rumania, Lithuania, Latvia, Estonia, East Germany, Russia, and the non-Russian nations of the U. S. S. R.?

That is the answer all the world is waiting for.

After that there are counterpart problems in the Far East.

Until these questions are answered according to the established laws of justice and sovereignty, how can the West take with anything like a respectful mien the Soviet protestations of peace and its recommendations—ridiculous on the face of it—for disarmament?

Disarm who? For what?

The Soviet disarmament plan was answered by the British through Anthony Nutting, the British Minister of State for Foreign Affairs, and by James J. Wadsworth, the United States delegate to disarmament talks in London. I have studied the Soviet proposals and the replies to them. And what this all comes down to, as I appraise the Soviet offer is, just so much hogwash for which the modern term is "propaganda." There is the subtle presumption that the Soviet has somehow come around to the view on disarmament we advocated as long ago as 1947 and that the Kremlin has reversed its line. They are now putting up a polite posture to what we told them was right and they formerly rejected.

The Soviet position regarding an effective international control system, Britain's Anthony Nutting points out, is "still obscure."

And "obscure" is the key word to describe all Soviet negotiations.

If there is anything in this series of faked up "sweet reasonableness" attitude of the Soviet Union it is this: They are in the midst of a domestic economic convulsion. They are issuing to their own people exhortations that reveal low production in industry, and confusion and disorder in agriculture. They have deposed the ostensible successor to Stalin—Malenkov—in humiliation and self-abasement. They have murdered the formerly powerful Beria.

They may be bidding for time to consolidate their power at home.

This may very well be an opportune time for the West to seize on the situation for the enduring enforcement of peace on the basis of guaranteed, concretely implemented, terms, protected by the West's strength in being.

This is Memorial Day, and we cannot forget the sacrifices of those who made possible the freedom under which we live. We shall not betray the heritage they left us.

What remains of the free world is living on the profit of their heroism.

This is the hour for heroism on our part, for firm resolution and a demand for performance in the face of Soviet blandishments. It is the hour for assurance, in the form of unmistakable and irrevocable guaranties, from the Soviet Union, that the world will have peace and that this peace will endure for ourselves and for our children.

On this principle we can and will stand fast. To negotiate through strength—to accept only the deed, not the word of the discredited Commissars of Red Russia.

Betray me once—shame on you. Betray me twice—shame on me.

The Elks Contribute to Community and National Progress

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. DONOHUE. Mr. Speaker, I have been asked to include the address I delivered at the dedication exercises of the new Elks Building, June 5, 1955, sponsored by the Framingham (Mass.) Benevolent and Protective Order of Elks, Lodge No. 1264.

The address follows:

It is a high privilege and pleasure to take part in these dedication exercises, not so much, indeed, as your Representative in Congress, but more as a fellow member of the great Order of Elks.

The subscribers who have contributed so generously to this beautiful structure and those who have labored so tirelessly and earnestly toward the completion of this project now see the result of their efforts. It is eminently fitting that such a result should crown the devoted and self-sacrificing work of the many who have given freely of their time, energy, and means in its behalf.

The dedication of a building such as this represents an offering on the altar of the noblest aims of civilized mankind. It is more than foundation stones, walls, beams, steps, and a roof. It embodies the principles of fraternalism, good fellowship, and cooperation which exists within the Benevolent and Protective Order of Elks.

The primary object of fraternal organizations is to bring together men with kindred interests, thoughts, and ideals so that they may enjoy each other's society and

gain mutual benefit. In this order we have banded ourselves together so that each individual may lend to the entire group the strength and talents which he possesses and, in turn, receive the help, inspiration, and protection of the whole organization.

Fellowship is to be valued for what is in it—not for what may be gotten out of it. When a group of people unite for purely material benefit, that union is not a fraternity. It is impossible not to have differences of opinion. That is democracy. But without unity and cooperation there can be no progress. It was this spirit which caused the founders of Massachusetts, Pennsylvania, and Virginia each to lay aside his individual interests and prejudices and unite in forming the Continental Congress which laid the foundation for the world's great Republic.

The building we dedicate today will provide our organization with greater facilities for becoming more useful and give us more capacity for enjoyment. Elksdom has expanded and grown because within it men find social fellowship which they can combine with the opportunity to give expression to their instinctive desire to be of genuine service to their fellow men. An Elks Lodge in any community gives that community new civic strength and enthusiasm.

The passage of years is marked by changes all about us. Sometimes the changes are so sudden that they are immediately noticeable, and we reflect upon the inevitability of change and the instability of men and ideas and institutions. More often, however, change comes so subtly that we are unaware of the process and only later is it realized that modification has occurred.

The 87 years through which the Order of Elks has grown and prospered have brought changes in the Order. These changes have been for the better. They have made no fundamental alteration in the character of the order; on the contrary, we have held firmly to those principles laid down by our founders, adding to them, yes, and strengthening them. Succeeding generations of Elks have clung to the earliest traditions, and have added to them wisely to give us a rich and valuable heritage.

Of fundamental importance to the order is our Elks ritual. It states with beautiful clarity the noble ideals that inspire us. It is the golden cord that binds us together in fraternity with our brothers of today, of the past, and with those yet to come. From the very first lodge, stress has always been laid on the faithful, dignified, and impressive rendition of the ritual. Through good times and bad, the high standards set by the founding Elks were adhered to, and without question, this example has had a profound influence throughout the order.

So it is with the tradition of Elk hospitality. The visitor from far places always has found a hearty and generous welcome awaiting him at the door. Times, men and places have changed, but the spirit of hospitality has never waned.

The willingness of Elks to assist our Government and our Armed Forces was made evident at the outbreak of World War I, when adequate care of sick and wounded servicemen overseas was of urgent necessity. Our grand lodge appropriated \$1 million for this purpose, and it was through this fund that the first 2 base hospitals set up in the battle area in France were made possible. The first reconstruction hospital for war casualties to be established in the United States was a 700-bed facility constructed and equipped by the order in Boston, Mass., and turned over to the Government in November 1918.

It was at that time that our order created its revolving fund through which it was able to assist over 40,000 disabled veterans during their vocational training period. The detailed system of disbursement of these moneys originated by our grand lodge was found so practicable that it was adopted by

a Government agency in distributing its own funds.

When World War II presented its problems to our Government, the order's reputation for ready cooperation and know-how was well established and its assistance in recruiting flying cadets was requested. Over 400 lodges organized and conducted refresher-course schools to qualify men for the Air Corps with such excellent results that the Army called upon the Elks for aid in recruiting 45,000 Air Corps ground crewmen; within a few months 97,000 had been secured. The Elks came through in such record time when the Navy asked for help in recruiting fliers that we were the only organization solicited when both the Army and Navy were in vital need of engineers and Seabees. This faith in our efforts was rewarded when we were able to fill their quota 3 months ahead of schedule.

With this record of accomplishment for reference, it is not surprising that our Government continues to call upon the Elks for assistance in its projects benefiting our servicemen.

When the Veterans' Administration set up a Public Information Committee in its national advisory group in order to bring to the public a better understanding of the work being done by volunteers of all organizations in its hospitals, the Elks National Service Commission's representative was named chairman. In that capacity, not long ago, he enjoyed the privilege of delivering his committee's first, and well-received, report before national representatives of leading veteran, fraternal, and service organizations in Washington, D. C.

Another outstanding contribution the Elks have made to society is our interest in American youth. Our order has noticeably increased its sponsorship of youth programs in recent years. Every major town in America has its youth problems. We must redouble our efforts and increase our program of scholarships, leadership contests, Boy Scouts' programs, athletic contests, playgrounds, parks, swimming pools, and summer camps. Such activities are of great help and influence if properly planned. We desire to reach all sorts of children, to do more for the underprivileged child.

By proclamation of our Grand Exalted Ruler, May 1 is designated as Elks national youth day. Every lodge is expected to sponsor some particular event paying tribute to the youth of our country "to demonstrate to the world that we have a real interest in, and concern for, the welfare of our youth, and that we are proud of them."

For many years our organization has been concerned with improving our national health. We have played an important part in the care for crippled children. Convalescent homes, diagnostic and rehabilitation services for thousands have been provided.

About 10 years ago the Elks began to realize that the victims of cerebral palsy were not necessarily deficient in mentality and that they could be helped to live normal and useful lives through proper, intelligent treatment. Little by little, subordinate lodges, groups of lodges and States began to take up this work. The trustees of the Elks National Foundation became interested in this movement and played a part of strong leadership in the movement. Our national foundation is constantly broadening its activities in the cerebral palsy treatment field. Up to July 1954, it has expended over \$100,000 to train doctors, teachers, nurses, and other qualified persons in the treatment of cerebral palsy.

Occasionally we meet someone who tries to tell us that the Elks are nothing but a lot of "good time Charlies" without serious thoughts in their heads. I would say they are dead wrong. I doubt whether many social or fraternal organizations in our American communities could surpass our record over the last 50 years. We have established

solid public relations in our communities which have demonstrated to our fellow man that our order typifies Americanism. We have demonstrated not only to our own membership, but to the country as a whole, that our aim is to translate into realities the cardinal principles of Elksdom.

Our program is one of expansion. Those who work the hardest in our order develop an even more profound love for it as they work. From our service to each and every community in the Nation we symbolize the ideal relationship between the citizen and his Government. Government in the hands of active, honest, faithful citizens is safe. The fundamental articles of faith of all liberty-loving American citizens contain an unswerving belief in basic human rights. The fundamental articles of faith of all loyal Elks contain an unswerving belief in basic human rights. We believe in the dignity of man, the freedom of the individual, and the Christian principles upon which these United States were founded.

If our American institutions are to survive, our manhood must be characterized by a great regard for the day set apart by God Himself. William H. Seward said: "The ordinances which require the observance of 1 day in 7 and the Christian faith which hallows it are our chief security for all civil and religious liberty."

Perhaps the 20th century has been prone to direct too much attention toward materialism. Ralph Waldo Emerson wrote: "The true test of civilization is not the census, nor the size of cities, nor the crops—no; but the kind of man the country turns out." Accordingly, to counteract any landslide of our civilization into materialism, we must give our attention not only to political, diplomatic, military, and economic endeavors, but we must also look with a large and steady eye at ourselves and attempt to add spiritual stature to our own society. The role that spiritual ideals have played in our national life has filled volumes. Thirty-five years ago Woodrow Wilson, in one of his last messages to the American people, said: "Our civilization cannot survive materially unless it be redeemed spiritually."

These dedication ceremonies should include a rededication of ourselves to the Christian ideals of human brotherhood for all in which our order so thoroughly believes.

Elks can continue to demonstrate to the world the true principles of Christian brotherhood through our four great principles of charity, justice, brotherly love, and fidelity. We want our free America to continue as a free Nation, but we should not forget that America will be no stronger, no more free than the people who are America.

When an Elks lodge assumes the leadership of any activity, bringing into play its organizational ability, enthusiasm, and steadfastness of purposes, there is action; things happen, and another successful project results. That has been the case whenever Elksdom has demonstrated its unwavering vigilance in preserving Americanism against the encroachments of communism.

The record of Soviet aggression has in it much of the quality of Aesop's fable of the wolf and the lamb who were standing in a shallow stream. The wolf complained that the lamb was muddying the water the wolf wished to drink. The lamb pointed out that this could not be, for the wolf was upstream and the water flowed from him down to the lamb. "Anyway," said the wolf savagely, "I heard that you told lies about me last year." "How could that be," pleaded the lamb, "since I wasn't born until this year?" "Well, then," snarled the wolf, "it was someone in your family, anyway. But no matter who it was, I do not intend to be talked out of my breakfast." And without further ado, he leaped upon the lamb and devoured him. The moral Aesop points out, is that the tyrant can always find an excuse for his tyranny.

The principles of our order are exactly the opposite of those embodied in communistic practices. We believe in and have a concern for the rights, privileges, and responsibilities of citizenship under our constitutional government. We believe in community betterment for the good of all. We believe that the blessings of liberty which we enjoy should be passed on to posterity. We are here today as Elks, but in a much larger sense, we are here as Americans.

When the Benevolent and Protective Order of Elks had its origin approximately 87 years ago, the Golden Rule became its foundation. The eternal truths of this foundation have been proven by the growth and virility of our order. Our accomplishments are proof positive that Elksdom is composed of those who want to share their lives with their fellow man.

It is a man's privilege to assume the responsibilities of citizenship. And it is his responsibility to insure the privileges of his fellow citizens. Two things are vital to democracy: that every man grant every other the rights he claims for himself, and that every man accept the obligations he expects others to exercise. The good citizen concerns himself with the privileges of others and the responsibilities of himself.

The Benevolent and Protective Order of Elks in this community has assumed the responsibilities of citizenship in its finest interpretations for the good of mankind.

It is tremendously important that a building be erected on a firm foundation, lest it sag and cause cracks to appear in the walls, or even topple. It is impossible for a building to be constructed properly without a plan. Regardless of the size of a structure, good building material is needed.

The foundation upon which this beautiful structure rests, the planning and material which has gone into it, represent these ideals of firmness, proper planning, and good material that are contained in our order.

We are happy and proud to have arrived at the completion of this structure. Founded on charity, justice, brotherly love, and fidelity, we can have complete hope in the fact it will fulfill its mission and assist in spreading the ideals of Elksdom, that we may remain free to continue the tasks which lie before us. May our ambitions for all the great and good things which our order represents be fulfilled within these walls. As we dedicate this home, may we hope to be rededicated to the principles of our order—to the principles of America.

The Test of Real Leadership

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. FEIGHAN. Mr. Speaker, on June 5, 1955, it was my honor to address the commissioning ceremonies of the Reserve Officers Training Corps at John Carroll University, Cleveland, Ohio. I chose as my subject for that address *The Test of Real Leadership*. In that address, I have suggested four basic objectives which should guide our preparation for, and any participation in, a conference with the Russians looking forward to an easing of world tensions. I hope the President and his advisers will give some thought to my recommendations, because I sincerely believe they have a vital bearing on the future welfare and se-

curity of the people of the United States. Under leave granted, I insert my address in the RECORD:

THE TEST OF REAL LEADERSHIP

(Address by Hon. MICHAEL A. FEIGHAN, Member of Congress, 20th Ohio District, at the commissioning ceremonies, Reserve Officers' Training Corps, John Carroll University, June 5, 1955, Cleveland, Ohio)

I offer my hearty congratulations to each and every one of you who today has been signally honored by being commissioned a Reserve officer in the Army of the United States.

This is a moment of great pride for all those who have played a part in helping you achieve this high honor.

The officers on the faculty of the John Carroll University see in you well-trained leaders eminently qualified to carry out such tasks as may be necessary to defend the security and welfare of the people of the United States. The good fathers and the entire faculty of John Carroll University look upon you as men well grounded, not only in the science of military tactics, but equally as well prepared with a philosophy of life which immediately gives you complete dedication to God and to country. For your parents this occasion is the climax to their hopes and prayers and sacrifices. They can take real comfort and satisfaction in knowing that you have had the best preparation available to anyone to meet the challenge of life as you must face it in the days and years that lie ahead.

The Reserve officers movement in the United States has had a long and glorious history. The first congressional stimulus to the Reserve officers program occurred during the Civil War. During World War I and between the wars, it became, of necessity, a fixed part of our national life. It is no surprise, therefore, that during World War II more than 100,000 graduates of the Reserve Officers Training Corps program served in the Armed Forces in all ranks from second lieutenant to general. Without such advance preparation it would have been impossible for us to have put together so rapidly the mighty fighting machine required for us to meet the challenge of aggressive tyranny which brought about World War II.

The basic foundation and indeed justification for the Reserve Officers Training Corps rests on the fact that we, as a Nation, want to avoid a huge standing army with all the implications it has with respect to our family life, our educational system, the training of our professional men and women, and the development of careers in a free-enterprise system. Paired with this basic requirement is the realization that human freedom has been won by and will be preserved only by men who are prepared to fight to defend it.

We Americans understand full well the great sacrifices made in freedom's cause on our very land as well as the sacrifices we have made in all parts of the world to maintain it. We are aware that the tyrants down through history have fought to destroy all those things of the spirit which symbolize freedom's cause and which we hold to be as dear as life itself. The Reserve Officers Corps has been a happy and safe answer to those basic requirements. Through that program we are assured of trained, alerted, dedicated officers in all branches of the service who are real leaders of men. As leaders of men, we know that in time of national emergency they quickly form the nucleus around which emerges a powerful fighting force competent to meet and destroy any form of tyranny which challenges our national existence.

Being leaders of men, the Reserve Officers Corps must at all times be well informed on all issues having to do with the basic ques-

tion of war or peace. This is necessarily so because informed leaders are the strongest leaders as well as the most inspired type of leaders. I would like, therefore, to discuss with you briefly what I consider to be some of the basic issues of our day having to do with the question of peace or war. Following World War II all of us had hoped that mankind would find the road to universal peace and freedom. That was the goal toward which we fought during World War II and it was only reasonable, with the magnificent victory that was ours, that we could expect a rich reward for our great sacrifices. Consequently we rapidly turned our attention to peacetime pursuits and problems of a purely domestic character but still finding time to perform multiple errands of mercy in a world torn half apart by war. We envisioned on the immediate horizon a golden era of peace, with freedom, as the heritage for all men for all time. This state of mind, in a large measure, took us into a deep slumber out of which we have not as yet fully awakened.

We, as a nation, were disturbed by the drums of war that were being thumped in every quarter of the world by the masters of the Kremlin. Slowly we became aware of the fact that a new and well organized tyrant was on the march. A new type of warfare was being waged against us and all other free people. This new type of warfare was completely unlike the classical or orthodox type which history records altogether too frequently, but nevertheless we soon found it to be total warfare, directed against the complete destruction of the civilization of which we are a part.

There can be no doubt that the world of our day is in a deep political crisis. Every hamlet in every nation of the world—every man, woman, and child is involved. This is not merely an economic crisis—that is only a part of the upheaval. This is not merely a social crisis in the sense that we understand social values. That too, is only a part of the crisis. This is not a military crisis, because the use of military forces and weapons in the orthodox sense have been used to a minimum extent. I have called it a political crisis because it affects every element of society as we know it.

Some people have called the crisis of our times a cold war. Almost all of us have come to realize that we were engaged in a new kind of war and cold war seemed like a good description because it indicated the absence of a shooting war. But, we have made a grave mistake in calling it a cold war because the warfare being waged against civilization as we know it is hotter than any war ever known to mankind. In this new type of warfare, more people have already been tortured, maimed, imprisoned, and killed, than in any other war in history. As an example of my point, I would only cite these elementary facts to you. During the period of 1932 to 1933 the Russian Communists starved to death by means of a man-made famine, over 5 million patriotic God fearing Ukrainians. In the Soviet Union alone there are over 15 million human beings held in slave labor camps under the term political prisoners. In most of these prison camps, the life span rarely exceeds a period of 2 years. Millions of people have been forcibly deported from their Communist occupied homelands to the interior reaches of the Russian Federated Soviet Republic, bringing about the separation of husband from wife and parents from children—few of whom will ever be united, and still fewer will be returned united to their beloved homelands. Entire nations have been destroyed by this new type of warfare—nations such as the Crimean Tatars, the Chechen-Ingush, and the Kalmucks. Yes, some of these ancient non-Russian nations were destroyed by the process of mass deportations carried out in a period of less than 48 hours. These are some of the crimes against hu-

manity which have been carried on under the name of cold war. The long list of similar crimes committed by the international Communist conspiracy is almost endless and ever-increasing in its violence.

Against this background of criminal warfare being directed against all forms of civilization, the Kremlin recently called for peaceful coexistence between the still free world and the world enslaved by the Russian Communists. The propaganda organs of the Kremlin then began to blast out statements attributed to the leaders of the world Communist conspiracy to the effect that the time had come for a concentrated effort to ease world tensions. The pleas for peaceful coexistence by the Russians was quickly followed up by a propaganda and diplomatic offensive on a worldwide basis. The clear objective of that propaganda and diplomatic offensive is to split the political and military alliances of the free world, to neutralize Germany and Austria, thereby providing a neutral belt between the Communist empire and the free world and finally to isolate the United States and the Western Hemisphere.

In the face of this propaganda and diplomatic offensive engaged in by the Kremlin, the Congress of the United States, through the reports of the Select Committee to Investigate Communist Aggression, has attempted to alert the people of the United States to the true nature of communism and the meaning of its current propaganda drive for peaceful coexistence with the free world. That committee, on which I had the honor to serve, recommended in January of this year, that to meet this new propaganda challenge by communism and to avert world war III, the Government of the United States engage in a bold, positive political offensive. That basic recommendation was supported by 12 definitive recommendations which were in the nature of concrete steps that should be taken to initiate such a political offensive. These recommendations were arrived at after hearing the direct testimony of over 300 eye witnesses who themselves had been the victims of communism, and after the study of thousands of sworn statements and all available documentary evidence. Moreover, this was the work of a truly bipartisan committee attested to by the fact that all 27 of its reports were unanimous. Since that time, many prominent Americans have come forward to urge the Government to take up a political offensive against the conspiracy of communism. It is encouraging to see that there is an awakening to the fact that if we are to avert world war III and at the same time extend the cause of freedom and peace, bold and resolute action is required. The record is clear that if we continue to engage in weak, half-hearted, fearful measures based upon a desire to placate the Russians, we are taking the course which inevitably leads to war and possibly slavery for our people.

We are told of the likelihood of what one statesman of the free world has called a Conference at the Summit. This, of course, implies a meeting of the leaders of the United States, Great Britain, France, and the Soviet Union. We are also told the primary objective of that conference is to find ways and means for easing world tensions and opening the door to peace and freedom. You and I, because of our basic spiritual beliefs and our faith in the free institutions as we know them here in America, must always seek with fervor and determination the goal of peace, justice, and freedom. But facing the facts as we know them to be, we realize that any agreement entered into with the Russian Communists, whether it be on a bilateral basis or developed at an international conference, is not worth the paper it is written on. That is the irrefutable record which the Russian Communists have made for themselves and it is a record which must, of necessity, guide us in any discussions we may have with them now or in the future.

Since we must arrive at all times for the great goal of peace and avoid missing any opportunity for winning it, it may be necessary for our leaders in Washington to attend a conference with the Russians before this year is out. If such a meeting does take place, I believe that the guideposts to our participation in such a conference must be those unalterable principles upon which our Nation is founded. As a step in that direction, I would commend the following to your attention as minimum goals we would seek in such a conference:

First, we must regard such a conference as nothing more than an opportunity for us to spell out for the entire world what we stand for and what we stand against. In this connection, we should make it clear that we stand for the rights of all nations, large and small, to national self-determination, and the natural rights of all people to the basic freedoms. We should make it equally clear that we stand unqualifiedly against any form of colonialism or imperialism and in particular, we will never acquiesce to the new Russian colonialism which is being carried out under the camouflage of Communist imperialism.

Second, as a logical followup to this first condition, we must demand that the Communist-enslaved non-Russian nations be permitted to determine their own destiny by the use of free elections, including multiple political parties, the secret ballot, together with international supervision to guard these basic requirements. If we fail to do otherwise, the good people of Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Ukraine, Byelorussia, Georgia, Turkestan, Idel-Ural, Armenia, Azerbaijan, Cossackia, and Russia will look upon any United States participation in a conference at the so-called summit as the failure of the last great hope of mankind and a sellout of all those moral and political principles which the United States has stood for during the 179 years of our national existence.

Third, the Russians must agree to dismantling and completely removing the Iron Curtain which they have constructed from the Baltic Sea to the Pacific Ocean. They must remove the minefields, the barbed wire, the vicious dogs, the special squads of machine-gunners, and all other unnatural barriers which the Russians have concocted in order to divide the world into separate parts. The Russians must agree without reservation that the Iron Curtain is the basic obstacle to true peace and freedom.

Fourth, we must abide by the proven principle of open covenants openly arrived at. There can be no secret understandings reached at such a conference. To insure against this possibility, the administration should avoid being party to any joint communique being issued from such a conference because the constant Russian demand for unanimity would mean that any joint communique would serve primarily the Kremlin interests. President Eisenhower would be wise to issue his own communique, on a day-to-day basis, covering developments and any successes or failures that might come out of such a conference.

The proposed conference at the summit, if it takes place, will have much to do with the fundamental question of peace or war. All mankind will watch with keen interest the developments that come out of such a conference. Those who are enslaved behind the Iron Curtain will be watching anxiously to see whether we, as a nation, by act or omission, confirm their enslavement. They regard our beloved America as man's last great hope. All the people in the still-free world will watch this event with equal concern. Our responsibilities are heavy. Consequently we must stand resolutely by our principles whatever the transitory cost may be.

The role of a leader in the affairs of nations must not be guided by a desire to win the popularity contest. Real leaders are seldom popular, but real leaders are respected. That inspiring lesson of history applies both to nations cast in the role of leaders as well as those men cast in the role as spokesmen for those nations.

I have tried in these few minutes to present to you some of the facts as I know them, so that you would be a better-informed officer in the Reserve Corps of the Army of the United States. I know that you have had the best possible training in military science. I am also keenly aware that in preparing you to meet all the trials of life, the good fathers at John Carroll University have left no stones unturned. It is now your responsibility to go forth in the world as a trained and responsible leader. I know that you will respond without hesitation to all those demands that a leader in life must expect. Remaining a well-informed leader will make you not only a better man, but a better citizen of our beloved country.

My wishes for every success go to each and every one of you.

The Federal Trade Commission

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. LIPSCOMB. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like to direct the Members' attention briefly to the recent record of achievement of the Federal Trade Commission.

Under the leadership of Chairman Edward F. Howrey, of Virginia, an outstanding lawyer, this small but active organization has since 1953 become one of the most important agencies in Washington. Life and vitality have been breathed into a heretofore almost moribund body. All of us who believe in fair, vigorous, and effective law enforcement should commend the present FTC.

The administrative structure of the Commission has been reorganized, its procedures have been modernized and strengthened, and, perhaps best of all, the element of delay in its work has been eliminated. Those who follow the Commission's work closely feel that its activities reflect—now as never before—the basic principles intended by Congress in 1914 when it had before it the original FTC legislation, proposed earlier by the Republican Party and later agreed to by President Wilson.

As Chairman Howrey has pointed out, the new FTC no longer believes in wasting its energies on peripheral test cases of doubtful validity that in years past consumed a substantial share of the agency's appropriations and which often required years to reach the Supreme Court; rather, FTC is giving timely attention to the predatory and fraudulent practices that do damage to the fabric of our free enterprise system, and it has been effective in doing so. During the present fiscal year, the Commission has instituted more legal proceedings than for many years. In the field of false ad-

vertising and related deceptive practices well over 100 complaints have been filed, a number not exceeded in 10 years. This year also will be one of the greatest in history in the field of antimonopoly actions instituted.

FTC has entered cease and desist orders in an equally large number of cases this year, including more antimonopoly orders than in any 1 of the 4 preceding years. In addition, more civil penalty actions—for violation of existing orders—are now pending trial in the Federal courts than ever before.

Where inadvertent violations of law occur, the Commission has also secured widespread compliance. For example, in the fiscal year 1955 FTC has already approved 13 new or revised sets of trade practice rules, each embracing an entire industry on a voluntary basis, a record unsurpassed in more than 20 years.

The people of my State have shared the benefits of this outstanding record; it has taken on a real meaning to us. Businessmen of California have long been plagued by the out-of-State poacher who manufactures goods elsewhere and falsely labels them as being "made in California" or deceptively marks styles or designs as having come from within the State. So effective has the Commission been recently in stopping this unlawful practice that the California Legislature passed a resolution, which was filed with the California secretary of state on May 2, 1955, as resolution chapter No. 135, congratulating the Federal Trade Commission on its activities. The resolution follows:

Assembly Joint Resolution 21

Joint resolution relative to the use of the word "California" on labels of garments manufactured by out-of-State garment manufacturers

Whereas the Legislature of the State of California, in 1953, by assembly joint resolution 5, requested that the Federal Trade Commission investigate all instances of the use of the word "California" on labels by firms in the apparel industry other than those who actually manufactured such apparel in California, and in the proper cases, issue cease and desist orders; and

Whereas the Commission is to be commended for its prompt and vigorous action in this regard; and

Whereas in the interest of a better informed public the Commission should publish a report on such activities; and

Whereas since, however, there are still some firms that are mislabeling their products in an attempt to capitalize on the sales value of the word "California," the Commission should not relax its vigil: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California does hereby congratulate the Federal Trade Commission on its activities to date, urges it to publish a report of such activities, and finally, to continue unabated its good work; and be it further

Resolved, That the chief clerk of the assembly is directed to transmit a copy of this resolution to the Federal Trade Commission.

I feel the Congress of the United States agrees with these sentiments of the legislature of my State.

It should not be overlooked that two former Members of this body have recently joined Chairman Howrey as Federal Trade Commissioners. All of us

remember with pride John Gwynne, of Iowa, and Robert Secrest, of Ohio. Greater competence and integrity could not be found, and President Eisenhower is to be commended for his choice in each instance.

Opposition to Antitrust Immunity for Business Under Defense Production Act

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1955

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I insert herewith the statement I made before the Senate Committee on Banking and Currency today in opposition to S. 2163 and S. 2165:

Mr. Chairman and members of the subcommittee, I am grateful for your kindness and cooperation in scheduling my appearance before this subcommittee. Members of the Banking and Currency Committees in both Houses deserve the thanks and commendation of the people of this country for their diligence and ability in presenting to the Congress proposed enactments dealing with our defense program which were models of legislative draftsmanship. Mandatory control legislation is complicated at best, and I believe considerable credit for the successful transition of this country from a peacetime to a mobilization economy and a subsequent return to more normal conditions is due this committee.

The success of the defense legislation drafted by this committee has been attested to by many eminent persons who have pointed out that almost all of the controls necessitated by the Korean conflict have now been removed. OPS, PAD, DPA, are now buried with their brethren wartime Government agencies, with only their records in the Archives remaining as epitaphs to their eminent success. Thus, it was that your committee was able to state—and I think with some degree of satisfaction—that as of 1953:

"Very substantial expansion in the Nation's capacity for the production of goods and services since Korea has brought supply and demand in most segments of the economy substantially into balance. That is why it has been possible to decontrol prices and wages and essentially limit the use of materials controls to military production. That is why it has been possible to discontinue the general distribution of materials throughout the civilian economy except for a few scarce and critical items essential to defense."

It is just because of the successful progress made by this Nation under the statutes previously drafted and recommended by this committee that I today strongly urge upon you to allow another section of the Defense Production Act to expire at this time according to its terms. I refer specifically to section 708.

Section 708, unfortunately, is not one of the better known and more widely discussed provisions of your Act. It is, however, in my consideration, one of the most significant and far-reaching pieces of legislation now on the statute books of the United States. I do not feel I exaggerate in this regard. Let me summarize, in brief, exactly what this portion of the act permits, so that you will

see with me some of its tremendous implications.

First, it authorizes the President to consult with representatives from various sectors of the economy with the view toward approval by the President of voluntary agreements and programs to further the objectives of the act.

Second, the act provides that—

"No act or omission to act pursuant to this act * * * if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) * * * shall be construed to be within the prohibition of the antitrust laws or the Federal Trade Commission Act of the United States."

What these and other provisions of section 708 do, in effect, is to authorize the President directly or his designate, who must secure the approval of the Attorney General after consultation with the Chairman of the Federal Trade Commission, to exempt conduct in violation of the antitrust laws from prosecution if such conduct is requested in the interests of the defense program. In other words, with no limitations as to the nature of the activity involved, immunity from antitrust prosecution may be granted by this statute. This may be justified in an all-out emergency. When the emergency is over, however, competition and free enterprise should be encouraged, not lessened.

I therefore believe this committee must now seriously question whether there is any longer need for abandoning our traditional antitrust policy in favor of concerted action among competitors and special treatment for monopolies.

We have, of course, recognized that in times of dire emergency, certain exceptions to our antitrust laws and free competition must be made just as during such periods, certain exceptions to the personal liberty and freedom of individuals occur. To be perfectly frank, as the price of survival, we had no choice. Wartime, unfortunately, has therefore been a catalyst which has stimulated the development of monopolies and retarded the growth of competition; it has led to procurement policies favoring a few select concerns with military and Government purchase orders while smaller firms were literally driven to the wall. When my monopoly subcommittee studied the recent mobilization program, it found that 55 percent of the total volume of prime defense contracts had gone to just 100 large corporations. A similar experience was had in World War II when, between June 1940 and September 1945, two-thirds of the prime contracts awarded by the Government had been placed with the top 100 corporations. Thus, as Donald Nelson frankly confessed, during wartime "business firms of subaverage size more often than not did get the dirty end of the stick."

Take the matter of allocation of materials which are scarce. Small companies without historical positions with large suppliers or without integrated facilities of their own are unable to obtain raw or semi-fabricated products and perish by the thousands. Even today, as you know, small aluminum fabricators are finding it difficult to obtain needed supplies from the large producers, such as Reynolds and Kaiser, notwithstanding the fact that these latter corporations have profited by millions of dollars through Government tax-amortization programs and other assistance.

I need go no further to emphasize the fact that the effects of monopoly are heightened and the tempering effects of competition halted during emergency periods. But gentlemen, isn't that all the more reason for removing monopoly restrictions and preventing further restraints of trade just as rapidly as we can upon the termination of a wartime crisis?

These voluntary agreements provide a ready vehicle for serious restraints upon the

country's economy. As the Attorney General himself said in a sharply critical report on the potential effects of such agreements under the act:

"The use of voluntary agreements and programs to carry out the mobilization program may result in business enterprise, vigorously competitive in normal times, evolving common courses of action to restrain production, retard technical development, limit expansion, reduce quality, and raise prices. To the extent that the mobilization program requires joint action by businessmen, opportunities are presented to work out restrictive agreements either within or without the framework of a Government-sponsored program. It is important that the public need shall not become a cloak for concerted action undertaken privately to the public detriment."

I emphasize to you again that the antitrust laws have formed the basic foundation of this country's economy since the Sherman Act was put on the books in 1890. Deviations therefrom, such as are proposed to be continued in section 708, have been permitted only under the most serious national emergencies. The provisions of section 708, for example, were enacted solely because of the grave situation confronting the Nation as a result of the Korean conflict. As the distinguished chairman of the House Banking and Currency Committee explained in the report he submitted on behalf of the act:

"The second fact is that in spite of these considerations we are at the moment faced with certain grim problems."

Similar considerations motivated this committee as explained in the committee report accompanying the Defense Production Act of 1950:

"The seriousness of the situation which was thrust not only upon the United States but upon the whole world as well when the forces of communism were unleashed on the Republic of South Korea has impressed upon every American the necessity and importance of taking prompt and vigorous action to meet the threat of Communist aggression."

Even in the period of crisis, however, I want to point out that no attempt was made to forsake utterly our reliance upon competition and free enterprise. As this committee so forthrightly stated in its report accompanying the Defense Production Act:

"The situation (referring to the crisis) has been the motivating factor in all the considerations of your committee in making an effort to bring out a bill broad enough to give the Executive necessary powers to cope with this critical situation, but not so broad as to regiment the economy of our Nation to the extent that the fundamental democratic principles of free enterprise are endangered."

I submit to the committee that in view of the drastically changed conditions which have obviated the need for mandatory rationing of scarce materials, the control of prices, and vast authority for supervising agencies, there is no longer any need at all for continuing the immunity provisions accorded to businesses from prosecution under the antitrust laws. Indeed, the better argument lies on behalf of removing these immunities and encouraging more vigorous enforcement of these statutes so as to promote free and open competition. Yes; far from "encouraging the making * * * of voluntary agreements and programs * * *" as advocated in the specific language of section 708, we should devote more of our attention toward discouraging such agreements and other restrictions upon competition.

I have thus far limited my remarks to opposing the extension of section 708 for another 2 years as is provided in S. 2163. I would like to devote the remainder of my remarks to S. 2165, which would not only extend the section of the act but would make such far-reaching extensions in the voluntary agreement program as presently established by statute so as to render the

antitrust laws virtually useless in this area of the economy for the next 20 years.

Section 4 of this bill, S. 2165, would add a new section to 708 as now constituted, which would enlarge the exemption provision substantially. Under the law as it now stands, exemption from the antitrust laws is given only for the period, and I quote, "while this act is in effect." In other words, all immunity will vanish should section 708 be allowed to expire at the end of June of this year. If the act is extended for a 2-year period, exemption for activities will be allowed until June 30, 1957—but no longer. If you read S. 2165, however, you will see that it empowers the President to continue any exemption already granted and approved for a period as long as 20 years. And this immunity will stand, notwithstanding the fact that Congress may have seen fit in the interim to let the act expire by its terms. In other words, the immunity and exemption may be granted for a period of time in futuro although Congress may very well believe that there no longer exists any need for the Defense Production Act or section 708.

As Dr. Flemming, ODM Administrator, testified yesterday, extension of the immunity provisions of the Defense Production Act beyond the termination date of the act was recommended by the Attorney General's National Committee to Study the Antitrust Laws. The Attorney General's national committee indicated that such extension may be needed at least with respect to programs for preserving the supply of critical and strategic materials from abroad. It indicated extension also may be needed to protect large-scale investments committed in such programs for long periods of time.

The House Antitrust Subcommittee, of which I am chairman, in connection with its recent exploratory hearings on current antitrust problems has investigated extensively the Attorney General's Committee and the recommendations made by it. You should recognize that the Attorney General's Committee did not undertake to collect statistics or to assemble a body of factual data with respect to the antitrust problems on which its recommendations were based. The Attorney General's National Committee primarily undertook to examine the existing case law in the antitrust field and attempted to enunciate a theory encompassing all past cases and statutory enactments in this field. Accordingly, this committee should realize that the recommendation of the Attorney General's Committee with respect to the advisability or necessity for extending the immunity provisions of the Defense Production Act are not based upon an examination into Government and business activities under section 708. Nor were these recommendations based upon economic studies or security considerations upon which any justification for authorizing immunities beyond the extension period of the Defense Production Act must rest.

Furthermore, in addition to having neither the information nor the qualifications for passing upon the factors involved in granting immunities, under the Defense Production Act, this Attorney General's Committee's recommendations suffered from other deficiencies. Our Antitrust Subcommittee has received considerable testimony bearing upon the objectivity of the Attorney General's Committee's recommendations. Testimony has been presented that of the 61 members of the Attorney General's Committee, 42 members were attorneys practicing in the antitrust field primarily representing corporate defendants. Further half of these practicing attorneys either personally or through their law firms represented defendants in antitrust cases instituted by the Department of Justice or the Federal Trade Commission which were pending at the time the committee prepared its report.

Witnesses before our subcommittee have claimed that lack of fair representation for

divergent viewpoints on the Attorney General's Committee resulted in bias in the committee's recommendations. It may be that the Senate Banking and Currency Committee, before it acts upon recommendations attributed to the Attorney General's Committee, may wish to investigate into whether any particular interests would receive special advantages from extension of the immunity provisions of the Defense Production Act in the manner recommended.

As you know, the Department of Justice did not and does not endorse the recommendations of the Attorney General's Committee. The Attorney General himself has under study at the present time his committee's recommendations in order to ascertain which he wishes to endorse. It therefore seems anomalous for the Defense Mobilizer, Mr. Flemming, to base proposed legislation upon these recommendations without any other economic or policy basis therefor.

On June 14, 1955, I requested the views of the Department of Justice with respect to S. 2163 and S. 2165 concerning extensions of the immunity provisions of section 708. In Assistant Attorney General Stanley N. Barnes' response to my inquiry the Department did not adopt the Attorney General's Committee's recommendation. He emphasized that the Department of Justice takes no position at all with respect to either the necessity for extending the antitrust immunity provisions of the Defense Production Act, or for exempting from antitrust certain conduct beyond the termination of the Defense Production Act. The position of the Department of Justice seems to be that these problems rest upon national security considerations beyond the competence of the Department of Justice to evaluate. Justice is concerned that the existing procedures for granting antitrust immunity not be changed in such extension. Judge Barnes said specifically, and I quote:

"S. 2165's declaration of policy, as well as the necessity for amending its present antitrust exemption to effectuate defense aims, rests on national security considerations beyond the competence of this Department to comment upon. Accordingly, I assume Congress finds necessary extending present law. In addition, I assume Congress concludes that, to best effectuate defense policies, certain conduct be exempt from antitrust even beyond the Defense Production Act's proposed 2-year extension. My comments thus focus upon means for assuring that in administering whatever exemption Congress deems necessary, antitrust considerations are brought to bear in a forceful and timely fashion. * * * What justification is there for extending immunity under the Defense Production Act longer than the requirements of the Defense Production Act? Justification for authorizing immunity beyond extension of the Defense Production Act must rest upon national security considerations beyond the competence of this Department to evaluate."

I wish to put this letter into your record at this point.

Accordingly, it would seem to me that before determining this question, it is incumbent upon your committee to examine thoroughly into the past operations of the Government and activities of industry under section 708 programs. The answers to the following questions, among others, would afford a basis for ascertaining whether in fact further extension of the immunity provision is necessary at the present time:

1. How many programs involving international trade have been granted immunity under section 708?
2. Are there any voluntary agreements now in operation or proposed concerned with stockpiling strategic raw materials?
3. What evidence did the Attorney General's Committee have with respect to the

need for extension of the immunity provisions of section 708?

4. What evidence did the Attorney General's Committee have with respect to the need for extending these provisions beyond the expiration date of the Defense Production Act?

5. Has the President requested any voluntary program which required the participants to commit large funds for long periods of time? What are they? Are any of these programs now operative? Are any now proposed?

6. Does the Department of Justice review the activities of the participants in voluntary programs in order to ascertain whether the participants adhere to the terms of the program? How current is the Department's review of existing approved programs?

7. What qualifications did the Attorney General's committee possess for evaluating national security questions which justify the authorization of immunity beyond the period of the Defense Production Act?

8. Is there any evidence available anywhere as to the need for continuing the immunity provisions of the Defense Production Act?

9. Is there any evidence available from any source indicating the need for giving 20-year immunities from antitrust prosecution?

The amendment to S. 2165 suggested jointly by the Department of Justice and the Office of Defense Mobilization, set forth on page 2 of Assistant Attorney General Barnes' letter to me, does not meet my criticisms. All that it accomplishes is to insure that the President's delegate, if one is appointed, will get the approval of the Attorney General and consult with the chairman of the Federal Trade Commission. The amendment still permits the President personally to authorize voluntary programs and permits immunity to be granted for 20 years after the expiration of the act with no standards, limitation, or supervisory control.

While Judge Barnes' statute, of course, is to be preferred to the statute as now written, it nevertheless leaves unanswered the basic questions:

1. Is there any need for giving immunities?
2. Why must any 20-year exemption be given?

As I said before, I understand that the Attorney General does not feel qualified to answer these questions.

The power accorded under this new section to exempt from the antitrust laws is a blank check delivered to the President to repeal the Sherman Act for any special or influential group for as much as 2 decades. If you look carefully, you will see that the extension may be made by the President or his delegate merely upon the formality of making certain findings which cannot be challenged anywhere, either judicially, legislatively, or executive. Nor need the President obtain the approval of the Attorney General or the chairman of the Federal Trade Commission. In fact, consultation with these expert agencies is not even required under the bill as presently written.

I do not wish to belabor the point, Mr. Chairman. But if you will ask yourself certain questions, I am sure you will see with me that this new section is fraught with serious implications to the very basic economic framework of this country. Who is to supervise these agreements exempted from the antitrust laws during the 20-year period? How can anyone know if the activities of the concerns involved will, with a 20-year monopoly franchise, continue to "further the objectives" of the Defense Production Act as required by statute? Who will the President select to make the formal findings required by the statute providing for 20-year exemptions?

I deplore witnesses who present a parade of horrors before a committee, Mr. Chairman. But I must confess that if this new section is enacted, it would be well to estab-

lish at the same time a new Cabinet post entitled Secretary of Monopolies who would award 20-year monopoly franchises to well deserving institutions with power, prestige, or a long history of contributions to campaign funds. The power to grant monopolies, gentlemen, was one of the evils of royalty for which revolutions were fought in Britain. I trust you will not permit those who would seek special privileges to obtain this right in the United States without even a struggle.

Gentlemen, let me make my position on this legislation clear. I believe that with the passing of the crisis that had actually involved the United States in a shooting war, we are presently in a position to accomplish virtually all of our defense requirements within the traditional framework of the antitrust laws. Free competition has provided the American people the wherewithal to resist open aggression in the past, and, certainly, will continue to do so in the future.

I want to add, nevertheless, that if you, in your wisdom, see fit to extend the immunity provisions from the antitrust laws, they should be carefully limited to terminate at the end of the Defense Production Act. We need no widespread monopoly licensing provisions which would grant a privileged few the right to violate the antitrust laws for as much as two decades with no supervision or control. Immunity, if immunity there must be, should be confined to the period in which you extend the Defense Production Act for all other purposes. And any exemptions from the act should be carefully restricted to matters coming within the aims, objectives, and purport of the basic statute.

WOC PERSONNEL

Section 5 of S. 2165 provides for the establishment of a reserve force of WOC's so that they would be ready to take over top Government positions in the event of any emergency. I believe the committee should carefully study the background and need for such a provision before enacting any such provision.

Reference was made in your hearings yesterday to our experience with these WOC's during World War II. I would therefore respectfully call to your attention in this connection the study of WOC's made by the Truman committee (S. Rept. No. 480, 77th Cong., 2d sess. (1942), pp. 7-10). In part, this is what the committee concluded—and I commend the report in full for your study:

"Although the contracts obtained by the companies loaning the service of dollar-a-year and WOC men are not passed upon by the men so loaned, such companies do obtain very substantial benefits from the practice. The dollar-a-year and WOC men so loaned spend a considerable portion of their time during office hours in familiarizing themselves with the defense program. They are, therefore, in a much better position than the ordinary man in the street to know what type of contracts the Government is about

to let and how their companies may best proceed to obtain consideration. They also are in an excellent position to know what shortages are imminent and to advise their companies on how best to proceed, either to build up inventories against future shortages, or to apply for early consideration for priorities. They can even advise them as to how to phrase their requests for priorities. In addition, such men are frequently close personal friends and social intimates of the dollar-a-year and WOC men who do pass upon the contracts in which their companies are interested.

"These are only a few of the advantages which large companies have obtained from the practice, and it should be especially noted that they are the very same ones which the small and intermediate businessmen attempt to obtain by hiring people who they believe have 'inside information' and 'friends on the inside' who could assist them in obtaining favorable consideration of contracts. Therefore, in a very real sense the dollar-a-year and WOC men can be termed 'lobbyists' * * *.

"The committee is opposed to a policy of taking free services from persons with axes to grind, and the committee believes that the Government should not continue to accept the loan of dollar-a-year and WOC men by companies with so large a stake in the defense program."

Our experience with these WOC's in the recent hot-war period of Korea has been no more successful. Mr. Fleming referred to the Executive orders of the President designed to implement the WOC provisions of the Defense Production Act with respect to the use of WOC's. But these were blatantly and continue to be blatantly ignored. For example:

1. Section 102 (a) of Order 10182 provides that as far as possible "operations under the act shall be carried on by full time, salaried employees of the Government." However, Mr. Chairman, if you read the statements of officials in setting up the Business and Defense Services Administration, you will find that there is expressed a preference and an avowed policy of hiring WOC's notwithstanding the availability of Government personnel on a paid basis. This policy was expressed by Mr. Weeks in a speech describing the aim of the new Business and Defense Services Administration on June 9, 1953, as follows:

"We propose * * * (5) to establish approximately 20 main industry divisions with key advisers, recommended by various industries to represent them, and staffed for operation purposes by industrial experts from the career services, * * * the functions of the proposed business services agency will be to. * * * (6) See to it that, while private business, of course, cannot dictate Government policy and plans, it be placed in a position where it can effectively approve or disapprove of the implementation of such policy

and plans from the standpoint of their practical workability in every day industrial operation."

And, of course, that is exactly what this legislation would approve of on a long-term basis.

2. Section 301 (d) of Order 10182 requires that in obtaining WOC's, the administrator or head of the hiring agency must certify that he has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis. Mr. Chairman, it would be interesting indeed to see in how many instances even the slightest attempt was made to find full-time Government employees before hiring a WOC. Certainly that can't be the policy now when a preference has been expressed in the Business and Defense Services Administration for hiring WOC's without thought to whether there were qualified personnel on a paid basis available.

3. Section 301 (c) requires that in appointing WOC's for the head of the department to certify "That the appointee has the outstanding experience and ability required by the position." If you examine how WOC's have been and are chosen in practice you will find that they are appointed not on the basis of individual merit but on a company rotation basis. Large companies are requested—yes, urged, to send a man to Washington to staff the agency. The agencies get what the company can spare. As a result, you will find that any number of WOC's have been nothing but salesmen, with no particular skills to contribute that could not have been found elsewhere. A number of WOC's have been so called "Washington representatives" of large and powerful concerns. And it would make a most interesting study to learn how many WOC's once having worked in the Government thereafter remain in Washington to represent their companies in Government transactions.

In closing, Mr. Chairman, I want to leave with you for inclusion in your record, pp. 78-91; and 97-98 of House Report No. 1217 of the 82d Congress which has some valuable information relating to the use of WOC's. This study was completed by a subcommittee of which I was chairman. The committee concluded that: "the employment of WOC's during the mobilization period should be kept at a minimum." If this conclusion was true during a period of actual hostility, how much more is it valid now during a period when there is no overt military action.

For these reasons, Mr. Chairman, the committee should require Secretary Weeks to furnish it a list of all WOC's with positions they have occupied in government and their corporate affiliations. I respectfully urge a full and complete examination of the WOC program before any such blanket recruitment of persons representing private interests for important government policy provisions is undertaken by statute.

SENATE

WEDNESDAY, JUNE 8, 1955

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

Our Father God, help of the ages past, hope for the years to come: Thou God of grace and glory, we would yield our flickering torch to the flame of Thy redeeming love. Closing for these dedicated moments the door upon the outer world, with its shouting and its tumult, we know ourselves for what we are, petty, proud creatures who seek their own wills and whims in spite of the polished courtesies and noble professions with which

we come to Thee. But in the light of Thy presence we pour contempt on all our pride. As every ray of sunshine leads back to the sun, so, as we bow at this wayside shrine, teach our thoughts to travel up the road of Thy benedictions to Thyself:

"For every virtue we possess,
And every victory won,
And every thought of holiness,
Are Thine alone."

We pray that Thou wilt make every personal and national blessing a transparent window in the temple of service, so that the effulgent light of Thy spirit may shine through it in glory for human good. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 7, 1955, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

EXECUTIVE MESSAGE REFERRED

As in executive session,
The VICE PRESIDENT laid before the Senate a message from the President of