When an honest effort is made to think in terms of the needs of the 165 million people today, and the 190 million in 1965, and the 200 million in 1970, then, and only then, can we expect honest and effective Governmental action.

TWO MILLION UNITS A YEAR

If we are to meet the challenge of our soaring population and at the same time counter the growing slum areas of today, we must begin to think and plan in terms of 2 million new housing units a year.

Private enterprise must expand its facilities to take care of 1.8 million units annually, and Government must assist, not only the existing programs, but through new ones which will give credit assistance to the millions of potential middle-income owners.

Public housing must hatch from its present dormant state and provide decent shelter for 200,000 individuals or families annually, especially, but not exclusively, those displaced by renewal projects.

This will call for immediate liberalization of the binding restrictions which now keep public housing and urban renewal separated and it will necessitate a long overdue showdown with the special interests which have so long and so effectively blocked effective action by you and by others who seek to make decent minimum housing available to all of our citizens.

I know that all of this is easier said than done, but it must be done because the need is real and because it goes to the very core of our national life.

HIGH PRICE OF FAILURE

Under the circumstances which exist today, the efforts of urban housing commissions are bound to hit snags and to appear to be slow moving, but I feel confident, especially here in Toledo, that progress is being made, because the facts are beginning to come out, and people from Boston and Los Angeles are beginning to be aware of the dreadful price which all of us, all over the country, must pay for allowing slums and substandard housing to perpetuate themselves.

We in Congress and you in the field can move forward only as fast as informed public opinion will let us. Given the facts, the people of the United States have a way of getting behind a program which makes us a Nation unto ourselves. Given the facts, we exact honest and positive action from public officials on every level of government and we do it democratically, too.

The job before us is not an easy one nor is it one of short duration. This you know under the best of circumstances, it would take a decade to finally meet the housing needs of the Nation.

GOAL MUST BE REACHED

But gradually we are gaining and eventually we will reach our goal. When this will be depends largely, I think, on the degree of public support and participation, and on the degree of effective cooperation between citizens, administrators, and public officials.

In closing, I want to assure you of my own deep seated and continuing interest in the vital field of housing and redevelopment, and that of a great number of my colleagues with whom I am privileged to serve in Congress.

But more especially, I want to extend my congratulations to all of you for the difficult work you are doing and the strides you have made.

I hope that we in Congress can make your work less arduous and that the near future will see our joint efforts begin to pay the real dividends which we feel are the right of every American.

SENATE

TUESDAY, JUNE 7, 1955

Rev. Ralph L. Buchanan, pastor, Hawfield Presbyterian Church, Mebane, N. C., offered the following prayer:

Eternal God, our Heavenly Father, as we bow in recognition of our need and of Thy limitless ability to help us, we would thank Thee for the kindness of Thy providence in placing us in this good land. Help us to do only those things which would pass on to our posterity a greater heritage than that which we have known.

We would pray, our Father, that Thou would bless the Members of this great body. Guide and direct them in all their deliberations and actions. We pray that Thou wilt help them to know that to err in vision is to stumble in judgment, and that they may so direct the affairs of this Nation that it may be to the world a beaconlight of righteousness, justice, freedom, and good will.

We make our prayer in the name of Him who said, "Ye shall know the truth, and the truth shall make you free." Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 7, 1955.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. PAUL H. DOUGLAS, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. DOUGLAS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 6, 1955, was dispensed with.

COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I have been informed by the chairman of the Committee on Government Operations that the Subcommittee on Investigations has very important witnesses it desires to hear this afternoon. I therefore ask unanimous consent that the subcommittee may meet during the session of the Senate this afternoon.

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

EXECUTIVE SESSION

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

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

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Reynier J. Wortendyke, Jr., of New Jersey, to be United States district judge for the district of New Jersey.

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

The Chief Clerk read the nomination of William G. East, of Oregon, to be United States district judge for the district of Oregon.

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

CIRCUIT COURTS, TERRITORY OF HAWAII

The Chief Clerk read the nomination of Benjamin M. Tashiro, of Hawaii, to be circuit judge of the fifth circuit, circuit courts, Territory of Hawaii.

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

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

The Chief Clerk read the nomination of Edward Steidle, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review.

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

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the nominations today confirmed.

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

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

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

ORDER FOR LIMITATION ON DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the morning hour there be a 2-minute limitation on statements.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

CONTINUANCE OF EFFECTIVENESS OF MISSING PERSONS ACT

A letter from the Secretary of the Army, transmitting a draft of proposed legislation

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956 (with an accompanying paper); to the Committee on Armed Services.

REPORT OF DISTRICT OF COLUMBIA PUBLIC UTILITIES COMMISSION

A letter from the Chairman, Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of that Commission for the year ended December 31, 1954 (with an accompanying report); to the Committee on the District of Columbia.

REPORT AND FINDINGS ON THE WASHOE PROJECT, NEVADA AND CALIFORNIA

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, his report and findings on the Washoe project, Nevada and California (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF TRADING WITH THE ENEMY ACT AND WAR CLAIMS ACT OF 1948

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended (with accompanying papers); to the Committee on the Judiciary.

PROHIBITION OF USE AS EVIDENCE OF INVESTIGATIONS BY MILITARY DEPARTMENTS IN CERTAIN CASES

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to prohibit in any lawsuit or action for damages the use and admission as evidence of investigations by the military departments of aircraft accidents conducted in the interest of air safety (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; ordered to lie on the table:

"Senate Joint Resolution 21

"Joint resolution relative to the inclusion of certain highways in the National System of Interstate Highways

"Whereas United States Highway No. 395 is an important north and south highway on the Pacific coast and in the event of a national emergency would provide such a route in California and Nevada east of the Sierra and Cascade Mountains; and

"Whereas United States Highway No. 6 and United States Highway No. 50 form essential connections east and west from California through Nevada; and

"Whereas State Highway Sign Route No. 12 forms an essential connection east and west across California from the Pacific coast to the Sierras; and

"Whereas under section 7 of the Federal-Aid Highway Act of 1944, provision was made for the selection of a national system of interstate highways not exceeding 40,000 miles in total extent, so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico; and

"Whereas the Congress is now in the process of enacting legislation which would supply hundreds of millions of additional funds for the National System of Interstate Highways; and

"Whereas the President of the United States has recommended 'that the Federal Government assume primary responsibility for the cost of a modern interstate network to be completed by 1964 to include the most essential urban arterial connections at an annual average cost of $2.5 billion' for the next 10 years: Therefore be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President, the Congress of the United States, the Secretary of Commerce, the Commissioner of the Bureau of Public Roads, the California Highway Commission, and the State department of public works to take whatever steps are necessary to include the highways described in the resolution in the National System of Interstate Highways; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of Commerce and the Commissioner of the Bureau of Public Roads, and to the chairman and members of the California Highway Commission and the director of public works."

A resolution adopted by the Western Association of College and University Business Officers, at Tucson, Ariz., favoring the enactment of legislation to provide sufficient funds for the student-housing program; to the Committee on Appropriations.

By Mr. ELLENDER:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on Agriculture and Forestry:

"Senate Concurrent Resolution 16

"Whereas the present national program whereby the Federal Government provides technical assistance to State-organized and locally governed soil-conservation districts has proved so successful that most of the farmers and ranchers in the United States have voluntarily organized into such districts; and

"Whereas soil conservation districts organized under the Louisiana Soil Conservation District Law in 1938 have demonstrated their ability to provide the local leadership and administration of the conservation program; and

"Whereas the State of Louisiana, through the legislature, has recognized its responsibility by providing $375,000 annually to assist soil conservation district operations; and

"Whereas according to press reports the majority report of the Task Force Committee on Federal Aid to Agriculture has recommended to the President's Commission on Intergovernmental Relations a proposal 'that the function of soil conservation technical assistance be placed on a Federal grant-in-aid basis'; and

"Whereas the reported proposal would require vastly increased State and local financial support in technical assistance and cost-sharing programs, thus requiring heavy additional tax burdens at State and parish levels; and

"Whereas there is a strong likelihood that already heavily taxed State and parish governments will be unwilling to impose additional local taxes for this purpose; and

"Whereas it is unlikely that any increase in local taxes for soil conservation will be offset by a decrease in Federal taxes paid by the people; and

"Whereas the proposal is inconsistent with the fact that soil and water are strategic national resources, the conservation and wise use of which are matters of necessity to all people, both rural and urban: Therefore be it

"Resolved by the Senate of the State of Louisiana (the House of Representatives concurring), That the Congress of the United States reject the aforesaid reorganization plan, and retain the soil conservation program as a Federal service in substantially its present form with responsibility for carrying forward the programs developed by the locally administered soil-conservation districts; and be it further

"Resolved, That the secretary of state of the State of Louisiana is hereby directed to transmit a certified copy of this resolution to the Congress of the United States; to the Honorable ALLEN J. ELLENDER and RUSSELL B. LONG, Senators from the State of Louisiana; and to the Honorable F. EDWARD HÉBERT, HALE BOGGS, EDWIN E. WILLIS, OVERTON BROOKS, OTTO E. PASSMAN, JAMES H. MORRISON, T. ASHTON THOMPSON, and GEORGE S. LONG, Representatives in Congress from the State of Louisiana.

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

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

By Mr. BUSH:

A joint resolution of the General Assembly of the State of Connecticut; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Resolution 179

"Joint resolution commendation and encouragement to Patrick B. McGinnis and his fellow officers and directors of the New York, New Haven & Hartford Railroad for the forward-looking policies they have adopted in the running of Connecticut's most important transportation system

"Whereas the New York, New Haven & Hartford Railroad Co. is now entering into its second year under the leadership of Patrick B. McGinnis; and

"Whereas the said Patrick B. McGinnis has succeeded, in the short time he has been in control, in infusing a new, vigorous, forward-looking spirit into this essentially Connecticut railroad; and

"Whereas the said Patrick B. McGinnis has shown a fine spirit of cooperation with State and municipal officials, and has demonstrated his ardent desire to do everything possible to retain Connecticut's present industries and to encourage new industries to locate within our boundaries; and

"Whereas he has with the authorization of his board of directors, placed orders for revolutionary new types of passenger equipment, has begun installation of jointless rail and of a Magnetronic Reservoir System for reservations, has instituted ten-ride fares, ladies' day fares, a charge-a-plate system, has inspired 'zoo trains' and other merchandising features all calculated to give Connecticut improved transportation service, and to improve passenger service and commuting conditions to attract New York business people to live within our State: Now, therefore, be it

"Resolved, That the members of this General Assembly take occasion publicly to express their approbation of the steps being taken to modernize the New York, New Haven & Hartford Railroad to the ultimate benefit of our State, and particularly to commend the wonderful spirit of leadership exhibited by Patrick B. McGinnis, its president, and to express the hope of this body that he will have continued success in his efforts which we believe will redound to the benefit of all the citizens of our State; and be it further

"Resolved, That the Secretary of State be and she hereby is authorized and directed to transmit to the several Senators and Representatives from Connecticut in the Congress of the United States and to the members of the Interstate and Foreign Commerce Committee of both Houses of Congress, duly certified copies of this resolution, and that a

suitably inscribed copy also be sent to Mr. Patrick B. McGinnis, president of the New York, New Haven & Hartford Railroad Co."

By Mr. DANIEL:

A resolution of the senate of the Legislature of the State of Texas; to the Committee on Finance:

"Senate Resolution 382

"Whereas it is reported that the Congress of the United States is considering increasing the Federal tax on gasoline; and

"Whereas the levying of additional Federal taxes for the purpose of making grants-in-aid to the States is in conflict with Article X of the Bill of Rights of the United States Constitution; and

"Whereas it would be the better part of wisdom for the Federal Government to address itself to balancing the budget and reducing the national debt rather than increasing grants-in-aid to the respective States; and

"Whereas the principles of both good government and economy could be met if the Federal Government would abandon certain fields of taxation, including gasoline taxes, to the States so that they might become self-sustaining in regard to all services, including roads, which can best be administered by the States: Now, therefore, be it

"Resolved by the Senate of the State of Texas, That the Congress be respectfully requested to refrain from increasing the present levy on gasoline and that such present levy be repealed; and be it further

"Resolved, That a copy of this resolution be mailed to each member of the Texas delegation in Congress.

"BEN RAMSEY,
"President of the Senate."

PRESERVATION AND MAINTENANCE OF WET LANDS—LETTER FROM WISCONSIN CONSERVATION CONGRESS

Mr. WILEY. Mr. President, one of the great grassroots organizations of our country is the Wisconsin Conservation Congress, democratically composed of 71 county committees whose members are elected at public meetings in May of each year.

I have recently been pleased to hear from Chairman John R. Lynch of the conservation congress endorsing two important bills, both of which I in turn heartily endorse.

Indeed, one of these bills for the preservation and maintenance of wetlands of our country is the subject of proposed legislation which I have personally introduced in the form of S. 1756.

I present Chairman Lynch's letter, and ask unanimous consent that it be printed in the RECORD, and be thereafter appropriately referred.

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

WISCONSIN CONSERVATION CONGRESS,
Gordon, Wis.

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: The executive council of the Wisconsin Conservation Congress met at Stevens Point on April 23, 1955, at which time a number of conservation problems and programs were discussed which have implications on a national basis and which also directly involve the State of Wisconsin.

As you know, the Wisconsin Conservation Congress is made up of 71 county committees whose members are elected at public hearings held in May of each year. The 71 county committees, in turn, elect a 22-man executive council to act for them during the year, and these councilmen meet 4 times a year to consider conservation matters, primarily concerned with fishing, hunting and trapping, and other related matters which affect conservation of our natural resources.

At the Stevens Point meeting on April 23, a resolution was adopted by the executive council directing the chairman to ask Wisconsin's Representatives in Congress to do everything in their power to obtain favorable consideration and passage of a bill introduced by Congressman LESTER JOHNSON, H. R. 2142 (which provides that 40 percent of the duck-stamp funds shall be earmarked for the acquisition of land and water areas suitable for breeding, nesting, and resting of migratory waterfowl). It is our understanding that this bill is now being considered by the House Committee on Merchant Marine and Fisheries.

Closely allied with this resolution was another passed by the executive council, asking our Representatives in Congress to do whatever they can to protect, preserve, and maintain the wetlands of this country, not only for the value they have for wildlife, but also for the value they represent in maintaining water supplies, preventing quick runoff, which in some cases creates downstream floods which destroy life and property.

We of the executive council and the Wisconsin Conservation Congress sincerely ask you to do everything in your power to help maintain and perpetuate these important wetlands of our great Nation.

Sincerely,

JOHN R. LYNCH,
Chairman, Wisconsin Conservation Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 1878. A bill to amend the act authorizing the conveyance of certain lands to Miles City, Mont., in order to extend for 5 years the authority under such act; without amendment (Rept. No. 499); and

S. Res. 106. Resolution to provide additional funds for the Committee on Interior and Insular Affairs; without amendment.

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 1397. A bill providing for the conveyance to St. Mary's Mission of certain lands on the Turtle Mountain Indian Reservation; with amendments (Rept. No. 497).

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

S. 92. A bill for the relief of Irene C. (Karl) Behrman (Rept. No. 467);

S. 135. A bill for the relief of the Elkay Manufacturing Co., of Chicago, Ill. (Rept. No. 468);

S. 187. A bill for the relief of Mr. and Mrs. Frank Goto (Rept. No. 469);

S. 1020. A bill for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child (Rept. No. 470);

H. R. 1002. A bill for the relief of L. S. Goedeke (Rept. No. 473);

H. R. 1974. A bill for the relief of Shirley W. Rothra (Rept. No. 474); and

H. R. 2236. A bill for the relief of Mary Rose and Mrs. Alice Rose Spittler (Rept. No. 475).

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

S. 1033. A bill for the relief of Ann Arbor Construction Co. (Rept. No. 471);

H. R. 903. A bill for the relief of Harold C. Nelson and Dewey L. Young (Rept. No. 476);

H. R. 1003. A bill for the relief of Mrs. Lorenza O'Malley (de Amusategui), Jose Marie de Amusategui O'Malley, and the legal guardian of Ramon de Amusategui O'Malley (Rept. No. 477);

H. R. 1202. A bill for the relief of Robert H. Merritt (Rept. No. 478);

H. R. 1400. A bill for the relief of David R. Click (Rept. No. 479);

H. R. 1401. A bill for the relief of Ewing Choat (Rept. No. 480);

H. R. 1409. A bill for the relief of H. W. Robinson & Co. (Rept. No. 481);

H. R. 1640. A bill for the relief of Constantine Nitsas (Rept. No. 482);

H. R. 1692. A bill for the relief of Frederick F. Gaskin (Rept. No. 483);

H. R. 1747. A bill for the relief of the Utica Brewing Co. (Rept. No. 484);

H. R. 2456. A bill for the relief of Mrs. Diana P. Kittrell (Rept. No. 485);

H. R. 2529. A bill for the relief of Albert Vincent, Sr. (Rept. No. 486);

H. R. 2760. A bill for the relief of the estate of William B. Rice (Rept. No. 487);

H. R. 2907. A bill for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co. (Rept. No. 488);

H. R. 3281. A bill for the relief of Herbert Roscoe Martin (Rept. No. 489);

H. R. 3958. A bill for the relief of Louis Elterman (Rept. No. 490);

H. R. 4249. A bill for the relief of Orrin J. Bishop (Rept. No. 491); and

H. R. 4714. A bill for the relief of Theodore J. Harris (Rept. No. 492).

By Mr. KILGORE, from the Committee on the Judiciary, with amendments:

S. 175. A bill to provide for the relief of Milton Beatty and others by providing for determination and settlement of certain claims of former owners of lands and improvements purchased by the United States in connection with the Canyon Ferry Reservoir project, Montana (Rept. No. 472);

H. R. 1069. A bill for the relief of Hussein Kamel Moustafa (Rept. No. 493);

H. R. 1416. A bill for the relief of J. B. Phipps (Rept. No. 494);

H. R. 1643. A bill for the relief of the estate of James F. Casey (Rept. No. 495); and

H. R. 3045. A bill for the relief of George L. F. Allen (Rept. No. 496).

By Mr. DOUGLAS, from the Committee on Labor and Public Welfare:

S. 2168. A bill to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes; placed on the calendar (Rept. No. 498).

(See the remarks of Mr. DOUGLAS when he reported the above bill, from the Committee on Labor and Public Welfare, which appear under a separate heading.)

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. KENNEDY:

S. 2154. A bill for the relief of Lucia Mary Ann Lucchesi Marchi; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2155. A bill for the relief of Jose Torres; and

S. 2156. A bill for the relief of Thomas H. Ros; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 2157. A bill to authorize the establishment of an Inventive Contributions Awards Board within the Department of Defense,

and for other purposes; to the Committee on Armed Services.

By Mr. DOUGLAS:

S. 2158. A bill for the relief of Alexander Salomon and his wife Kaete Salomon; to the Committee on the Judiciary.

By Mr. IVES:

S. 2159. A bill for the relief of Dr. Roy Esme Lau; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 2160. A bill for the relief of Georgios Nikoladakis Baroulakis:

S. 2161. A bill for the relief of Nicholas Tsirigotis; and

S. 2162. A bill for the relief of Michael Patrinos; to the Committee on the Judiciary.

By Mr. FREAR:

S. 2163. A bill to extend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

By Mr. WELKER:

S. 2164. A bill for the relief of Ghislaine Marie DeBoysson; to the Committee on the Judiciary.

By Mr. CAPEHART (by request):

S. 2165. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

By Mr. O'MAHONEY:

S. 2166. A bill for the relief of Nickolas Menis; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2167. A bill to make certain changes in the administration of the Panama Canal Company, and for other purposes; to the Committee on Interstate and Foreign Commerce.

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

By Mr. DOUGLAS:

S. 2168. A bill to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes; placed on the calendar.

(See the remarks of Mr. DOUGLAS when he reported the above bill, from the Committee on Labor and Public Welfare, which appear under a separate heading.)

By Mr. THURMOND:

S. 2169. A bill for the relief of M. B. Huggins, Jr.; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 2170. A bill to permit sale of Commodity Credit Corporation stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form; to the Committee on Agriculture and Forestry.

S. 2171. A bill to amend the Subversive Activities Control Act so as to provide that, upon the expiration of his term of office, a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2172. A bill to amend the National Housing Act by adding a new title thereto providing authority for insurance of loans made for the construction of civilian defense facilities; to the Committee on Banking and Currency.

S. 2173. A bill to provide for the appointment of an additional circuit judge for the second circuit; to the Committee on the Judiciary.

By Mr. SCOTT (for himself and Mr. CLEMENTS):

S. J. Res. 75. Joint resolution directing a study and report by the Administrator of the Agricultural Research Service of the Department of Agriculture proposing an expansion of the tobacco production, utilization, and marketing research program, with primary emphasis on basic research; to the Committee on Agriculture and Forestry.

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

EXPANSION OF TOBACCO RESEARCH PROGRAM

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the distinguished Senator from North Carolina [Mr. SCOTT] be accorded an additional 3 minutes in order to make a statement.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from North Carolina is recognized for 5 minutes.

Mr. SCOTT. Mr. President, tobacco is one of the most important commodities in our agricultural economy, in business, and in tax revenues. In recent years tobacco production has ranked fifth in importance in farm income, averaging over a billion dollars in value each year. Consumers are spending approximately $5 billion a year for tobacco products, with the Federal Government collecting over a billion and a half dollars in tobacco tax each year.

Tobacco is important not only to farmers, business, and Government; it is also of vital concern to every family in the United States, because the per capita consumption of tobacco among persons over 15 years of age has risen to the remarkable point of over 13 pounds per year, which amounts to 5,250 cigarettes.

Tobacco production is becoming a more and more dangerous financial undertaking for the small farmer. The average loss from tobacco diseases alone has been nearly one-fourth of the value of the crop over the past 10 years.

The consumer of tobacco has also been having a hard time of it in the last year or so. There have been a lot of scare headlines and some loose talk about the possibility that smoking causes lung cancer.

Mr. President, untold millions of dollars are now being spent in medical research to find the answer to this question. But I was astounded to learn how woefully lacking we are in knowledge of the chemical components of tobacco and tobacco smoke—the sort of basic knowledge that is absolutely essential both to this advanced medical research as well as to agricultural research aimed at producing better tobacco at lower costs.

I think we have a good tobacco research program in our Agricultural Research Service and in the State agencies; but it has been far too small in its scope. We have been spending a paltry half million dollars a year for tobacco research while the Federal Government has been collecting a billion and a half in tobacco taxes.

I have discussed this problem with many experts, representing tobacco growers, manufacturers, and research specialists of our universities, the Department of Agriculture, and the Public Health Service, and they all agree that there is a crying need for a greatly expanded program of basic tobacco research. I think the Government's research investment in tobacco should be at least doubled over the next few years, in order that answers may be obtained to these basic questions which should have been answered long ago.

Mr. President, on behalf of myself, and the Senator from Kentucky [Mr. CLEMENTS], I introduce, for appropriate reference, a joint resolution authorizing the Administrator of the Agricultural Research Service to propose a program for expanded tobacco research and to make a report to Congress thereon.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 75) directing a study and report by the Administrator of the Agricultural Research Service of the Department of Agriculture proposing an expansion of the tobacco production, utilization, and marketing research program, with primary emphasis on basic research, introduced by Mr. SCOTT (for himself and Mr. CLEMENTS), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

STATEMENTS TO ACCOMPANY CONFERENCE REPORTS

Mr. KNOWLAND. Mr. President, on behalf of myself, the Senator from New Hampshire [Mr. BRIDGES], the Senator from New York [Mr. IVES], the Senator from Arizona [Mr. HAYDEN], the Senator from Indiana [Mr. JENNER], the ranking Republican member of the Committee on Rules and Administration, and the Senator from Oregon [Mr. MORSE], who previously joined in submitting a similar concurrent resolution, I submit a concurrent resolution, which reads as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall accompany every report of a committee of conference a statement, in writing and signed by at least a majority of the managers on the part of each House, explaining the effect of the action agreed on by the committee.

SEC. 2. The foregoing section shall be a rule of each House, respectively, and shall supersede any other rule thereof but only to the extent that it is inconsistent with such other rule.

I ask unanimous consent that a copy of the report of the Committee on Rules and Administration of March 14, 1951, be printed at this point in the RECORD, as a part of my remarks.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, without objection, the report will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 36) was referred to the Committee on Rules and Administration.

The report (No. 174, 82d Cong., 1st sess.), presented by Mr. KNOWLAND, is as follows:

The Committee on Rules and Administration, to whom was referred the concurrent resolution (S. Con. Res. 1) directing that there shall accompany every report of a committee of conference a statement explaining the effect of the action agreed on by the committee, having considered the same, report favorably thereon, without amendment, and recommend that it be agreed to by the Senate.

This resolution is identical with Senate Concurrent Resolution 79, which was agreed to by the Senate in the 81st Congress. In response to a request from the chairman

of the Committee on Rules and Administration, the Office of the Legislative Counsel last year prepared and submitted a memorandum relating to the adoption of a rule requiring every report of a committee of conference to be accompanied by a statement in writing, and signed by at least a majority of the managers on the part of each House, explaining the effect of the action agreed on by the committee. This memorandum notes the adoption of a similar requirement by the House of Representatives some 70 years ago, contains a concise history of such a rule, and presents certain reasons why Senate Concurrent Resolution 79, 81st Congress (now S. Con. Res. 1, 82d Cong.), should be agreed to by both Houses of Congress.

"MEMORANDUM FOR THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

"This memorandum is submitted in response to the request of the chairman for our views with respect to the desirability of enacting Senate Concurrent Resolution 79. The resolution reads as follows:

"'*Resolved by the Senate (the House of Representatives concurring)*, That there shall accompany every report of a committee of conference a statement, in writing and signed by at least a majority of the managers on the part of each House, explaining the effect of the action agreed on by the committee.

"'SEC. 2. The foregoing section shall be a rule of each House, respectively, and shall supersede any other rule thereof but only to the extent that it is inconsistent with such other rule.'

"As a result of complaints made by various Members of the House of Representatives some 70 years ago, the House adopted a rule on February 27, 1880 (10 CONGRESSIONAL RECORD 1203), requiring every conference report to be accompanied by 'a detailed statement sufficiently explicit to inform the House what effect such amendments or propositions (i. e., contained in the conference report) will have upon the measures to which they relate.' This rule is still in effect, without change, and is a part of rule XXVIII of the Standing Rules of the House. It has been interpreted by the House to require the statement to be in writing and signed by at least a majority of the House conferees. The House has also held that a conference report is subject to a point of order unless such statement accompanies it.

"It is interesting to note that the rule as first proposed related to the conference report itself and was objected to by Mr. Blackburn on the ground that it proposed to bind the conferees on the part of the Senate as well as of the House. Mr. Blackburn stated:

"'A conference report means the report of the conference committee of the two Houses. The reports to the two Houses must be duplicates, the one of the other. There cannot be a syllable in the conference report made to this House that is not embraced in the report made to the Senate. We cannot compel the Senate to do what is here suggested; but I pledge myself I will use my best endeavor as a member of the Committee on Rules and of the Joint Committee on Rules to have this incorporated into a joint rule to govern the two Houses. While assenting to the idea of the gentleman from Wisconsin, I am in favor of so modifying his amendment as to require the House members of the committee of conference to furnish with each conference report an explanation by a statement in detail of the points in controversy covered by such report' (10 CONGRESSIONAL RECORD 1203).

"The House then proceeded to accept a substitute offered by Mr. Blackburn, which is the present rule.

"Over the years, and especially in more recent years, the courts have come to use the statement of the managers with increasing frequency as an extrinsic aid in helping them determine the intent of Congress. The courts give as much weight to such statement as they do to the committee reports prepared by the standing committees which accompany proposed legislation reported out of such committees. In instances where a bill is almost completely rewritten in conference, the statement is the best extrinsic aid available to the court in determining intent.

"Since the statement has become, and will continue to be, an important part of the legislative history of enactments of the Congress, it would seem desirable to have the Senate conferees join with the House conferees in writing such statement. As a practical matter, the Senate conferees can today insist upon collaboration with the House conferees on the text of the statement, since they can refuse to agree to the conference report unless an agreement can be reached as to the matter to be included in the statement. However, in the interest of orderly parliamentary procedure, a change in the rules such as is proposed in the pending resolution would seem to be the better approach.

"As the committee will remember, after the conference report on the Fair Labor Standards Amendments of 1949 was adopted in the Senate last year, a detailed statement explaining the contents of the conference report was submitted on behalf of a majority of the Senate conferees. (See daily CONGRESSIONAL RECORD, Oct. 19, 1949, pp. 15371–15377.) Such statement did not interpret the text of the conference report in the same manner as such report was interpreted by the statement of the managers on the part of the House. Senator Taft, who was a member of the conference but who did not join in the statement submitted on behalf of the majority of the Senate conferees, took issue with some of the interpretations contained in such statement and subsequently inserted in the RECORD his own views with respect to the interpretation of certain portions of the report. (See CONGRESSIONAL RECORD, volume 96, part 13, pp. A1110–A1111.)

"Unless the courts, the administrative agencies, and the practicing attorney can go to one statement, joined in by a majority of the conferees of both Houses, for a determination of the intent of Congress, they are faced with an unnecessary and difficult problem in attempting to determine such intent. It is quite possible, in a case such as the one referred to above, that a court would feel it necessary to disregard all such explanatory statements containing conflicting interpretations and exercise its own judgment as to intent which conceivably could be contrary to the intent of a majority of the Congress.

"For the above reasons we feel that the pending resolution is a step in the right direction and a desirable change in the rules.

"Respectfully,

"S. E. RICE,
"Legislative Counsel."

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were order to be printed in the RECORD, as follows:

By Mr. WILEY:

Address entitled "United States Foreign Policy," delivered by him at Columbus, Ohio, before Ohio Department of AMVETS, on June 4, 1955.

By Mr. MANSFIELD:

Commencement address delivered by him at Carroll College, Helena, Mont., on May 22, 1955.

By Mr. SCHOEPPEL:

Paper entitled "European Wheat Requirements," presented by Dr. John A. Schellenberger at the Hutchinson, Kans., meeting of the Kansas Wheat Improvement Association, on May 27, 1955.

NOTICE OF HEARINGS ON S. 2163 BY SUBCOMMITTEE ON PRODUCTION AND STABILIZATION OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. FREAR. Mr. President, on behalf of the Subcommittee on Production and Stabilization of the Senate Committee on Banking and Currency, I desire to give notice that a public hearing will be held on S. 2163, relating to an extension of the Defense Production Act of 1950, as amended. This hearing will begin at 10 a. m., Monday, June 20, 1955, in room 301, Senate Office Building.

All persons who desire to appear and testify at the hearing are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone National 8–3120, extension 865, before the close of business on Wednesday, June 15, 1955.

THE TENNESSEE VALLEY AUTHORITY

Mr. SPARKMAN. Mr. President, I have in my hand several editorials commenting on the TVA, which I shall ask to have printed in the RECORD.

I ask unanimous consent to have printed in the RECORD an editorial entitled "A Task Force Attacks TVA," written by Richard P. Greenleaf, of Boaz, Ala., appearing in the Boaz Leader.

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

A TASK FORCE ATTACKS TVA

(By Richard P. Greenleaf)

The other day President Eisenhower said, "We will never wreck the TVA. It is a going historical concern. It's served a useful purpose. It was put up for particular purposes, and I don't think many people can quarrel about the purposes for which it was originally set up."

This is one of several issues on which certain men, very high in the councils of the Republican Party, seem resolved to go in a direction absolutely counter to that followed by the President. Within the last few days it has become plain that some of those men want to do what Eisenhower says will never be done: Wreck the TVA. The Hoover Commission on Organization of the Executive Branch has something called a task force—a sort of subcommittee charged with examining TVA. This task force has made some recommendations to the Hoover Commission. Those recommendations were intended to be kept secret, but thanks to some of our on-the-ball newsmen they were leaked. The task force has recommended that either (1) TVA power rates be raised until they are up with private utility rates, or (2) TVA power faciliites be leased or sold to private concerns and its nonpower facilities be turned over to other Government agencies.

With all respect to our brave fighting men who in wartime have been assigned to task forces, the use of this military term by a body charged with recommending improvement of our governmental structure has an ominous sound. The task of a military task

force is to kill and destroy and capture. That is what the Hoover Commission is trying to do—kill and destroy and capture the TVA, which the people of the United States have built with their own hands and control with their own votes. With Mr. Eisenhower, we must work and pray in order to make certain that this particular task force meets with complete failure.

In 1933, when the Tennessee Valley Authority was established, 3 percent of the farms in the area it now serves were electrified. Today 90 percent are electrified. That job was done by the American people, after the private power companies had hemmed and hawed and mumbled that it couldn't be done. In 1933 the soil of seven States was being washed down the Tennessee, year after year, on its way to the Mississippi and the sea. Now that soil is staying on the farms and growing food for us to eat. That was done by the American people and their Government because there wasn't any other way to do it. In 1933 Sand Mountain was about as far inland as you could get; today ships come to the very foot of our mountain by a 630-mile-long, 11-foot-deep channel that links us with the whole world. TVA has planted forests and built lakes, for hunting and fishing and swimming, for a healthy, happy nation; and TVA today brings to 1,300,000 of us our electricity at rates that are fair and realistic—rates that have helped keep down electric rates in many other parts of the country.

Some powerful forces are against fairness and realism—against the American people in this valley providing themselves with electricity on a cooperative basis and doing the other splendid things which TVA has done. Of course, these powerful forces haven't the courage to come right out against these things, so they mutter about "creeping socialism." They figure everybody will be scared by that and quit thinking. They're wrong. Americans are a lot smarter than that.

The Power Trust, which has tried to blow up TVA by political shenanigans ever since the first bucket of concrete was poured, has moved in on Washington since 1953. Mr. Eisenhower doesn't seem to know this, but when he finds it out he'll tell them to go on back to Wall Street and sit on their own chairs. Unfortunately, they seem to have managed to hire the Hoover Commission for an errand boy. Thanks to that leak, we've caught the errand boy snitching other people's pies and we can stop him before he gets off with the silverware. We must demand that these TVA recommendations of the Hoover Commission be published promptly and in full, so they can be debated in our Congress and submitted to our people. If that is done, we can save what we have built.

Mr. SPARKMAN. Mr. President, I also ask unanimous consent to have printed in the RECORD an editorial entitled "Mr. Hoover Shoots the Works," which was published in the Florence Times as a reprint from the Nashville Tennessean.

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

MR. HOOVER SHOOTS THE WORKS

Sweeping though it is, the Hoover Commission task force's plan for the destruction of the TVA is no more than might have been expected in a stacked report from a stacked committee.

It is no secret that the former President with ancient ideas has long nursed a fond desire to wreck the great democratic experiment which, for the first time in the history of man, developed the total resources of a river as a unified whole. He has said so publicly. His was the will, and his handpicked task force on water power (to which not a single friend of public power was named) was left to find the way.

That the group did not intend to disappoint Mr. Hoover was made all too plain in the course of the biased hearings it conducted last year. Its eagerness to fit its findings to a preconceived pattern is only confirmed by the tidy little package it has now submitted in wrappings of "economy, "efficiency, and "reorganization."

The idea is simplicity itself. First, the nonpower functions—such as navigation, flood control, conservation and fertilizer research and development—would either be abandoned or parceled out among other Federal agencies. Then the power facilities would be sold or leased to either private interests or non-Federal public agencies.

Once that were done, TVA would be a dead duck. The system would be destroyed, and the concept of unified development smashed. Written off, too, of course, would be the yardstick theory of rate control that private power has found so galling. And Mr. Hoover could find smug satisfaction in being able to say that his mission had been accomplised.

We refuse to believe, however, that it will be that easy. For in his very extremism—of which this is but one example, although the most flagrant—the former President has vitiated the effectiveness of the current Hoover Commission.

Already there have been some laments that the recommendations of the group are getting nowhere, whereas some 70 percent of the proposals made by the first Hoover Commission were accepted by Congress.

A ready explanation, however, is found in Mr. Hoover's undisguised desire to use the new commission to try to peddle a philosophy of government he still holds even though the country repudiated it 2 decades ago. Given the authority this time to examine governmental activities from a standpoint of policy as well as organization, he has not surprisingly gone overboard in using it to plump for his own unreconstructed views.

As a result, even sound reforms which come within the proper scope of the Commission's work have generated little enthusiasm when handed to Congress along with others that sound as though they were warmed-over planks from the Republican Party's 1932 platform.

Granted that Mr. Hoover is not entirely alone in his anxiety to discredit the social and economic progress to which Federal progress has contributed since he left the White House, the fact remains that his desire to turn the clock back 20 years is not widely shared, even in his own party.

In the case of the TVA, is it not possible that he has done the authority more good than harm? Certainly his task force has dispelled all doubts about the ultimate goal of TVA's enemies. And the recommendation is so all-embracing that it should serve to alert not just the Congressmen from the TVA area but from every part of the country where the benefits of public development of power resources are enjoyed.

It would be dangerous to discount entirely the threat posed by the proposals drafted under Mr. Hoover's sponsorship, particularly in view of the White House's antagonism to public power in general and the TVA in particular.

But until Congress shows a greater inclination than it has thus far to surrender its policy-making prerogatives to the frustrated former President and his carefully chosen little band of yes men, the conclusion will remain that he has overplayed his hand.—Nashville Tennessean.

Mr. SPARKMAN. Mr. President, I also ask unanimous consent to have printed in the RECORD another editorial entitled "The President and TVA," which was published in the Florence Times, reprinted from the Memphis (Tenn.) Commercial Appeal.

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

THE PRESIDENT AND THE TVA

If there are any supporters of public power in general or TVA in particular who have been cheered by President Eisenhower's newest words on the subject we warn them to look again.

What the President said was: "We will never wreck TVA. It is a going historical concern. It has served a useful purpose. It was put up for particular purposes and, actually, if you go back to the original bill, I don't think many people can quarrel about the purposes for which it was originally set up."

Notice repeated use of "original."

Sale of electricity had a minor place in the original TVA Act.

The legislation of 1933 is entitled: "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley, to provide for the national defense by the creation of a corporation for the operation of Government properties at or near Muscle Shoals in the State of Alabama, and for other purposes."

The opening paragraph says: "For the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River basins, there is hereby created a body corporate by the name of the "Tennessee Valley Authority."

Electric power is missing from these preliminaries.

Over in section 9a there is authorization for TVA to market power to assist in liquidating the cost after it has regulated "stream flow primarily for the purpose of promoting navigation and controlling floods." Section 10 authorizes sale of "surplus power."

On such phrases it is possible for the officials of private power companies and other bitter enemies of the TVA power business to deny opposition to TVA.

There is also in the original TVA Act a directive for promoting "the wider and better use of electric power for agricultural and domestic use, or for small or local industries." There is specific authority for building steam plants. The property first transferred to TVA at Muscle Shoals included a steam generating plant.

It is this promotion of wider and better use of electricity which has been so spectacularly successful. The promotion has taken electricity to farms and homes and small industries where it would never have gone under private power policies in use in the TVA region right up to the minute the TVA switch was opened. It has sold electricity in amounts unknown before.

It has provided a kind of warehouse of power on which the Nation could call when gigantic amounts of electricity were needed for atomic defense plants, and thereby caused TVA to build more plants to look after its original customers.

If these adventures into new ideas of how useful electricity can be, how big the market really is, how much power the people will use if they can—if these departures from the old normal had resulted in financial disaster the TVA question would never have risen.

But the power portion of TVA's work turned out so well that TVA directors have offered the Budget Bureau plans by which

it can be self-supporting, if the Budget Bureau and Congress will let it be that way.

This future of TVA's power business is what is in question. That is the reason President Eisenhower was asked about it.

On power the President said nothing.—The Memphis (Tenn.) Commercial Appeal.

Mr. SPARKMAN. Mr. President I also ask unanimous consent to have printed in the RECORD an editorial entitled "The Fundamentals of TVA—An Adventure in Faith," which was published in the Florence Times.

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

THE FUNDAMENTALS OF TVA—AN ADVENTURE IN FAITH

For more than a century the Tennessee River was a stream of great undeveloped and wasted power, a potential inland waterway, a destroyer of life and property as it ran in flood, year after year. American capital, private and public, bypassed the Tennessee Valley and chose instead to invest in other regions. Why? The priceless resources of the area—sunshine, soil, water, and human beings—were not working together.

The creation of TVA May 18, 1933—22 years ago—established a new administrative resource to restore harmony. TVA's job was to rebuild the river so it would serve and not destroy. TVA's job was to see to it that the facts about the wise use of water, soil, minerals, and climate were discovered and made available to become part of the everyday working life of the people and their State and local governments.

These are the essential facts of the TVA's 22-year story:

1. Flood control is now an accomplished fact.

2. A 9-foot navigation channel 630 miles long connects the Appalachian Mountains with the Mississippi River. Freight traffic in ton-miles has increased thirty-fold since 1933, and the end of the growth is nowhere in sight. Shippers save $12 million a year using cheaper water transport. The safe, slack water lakes are never idle, winter or summer, day or night.

3. Today, the Tennessee River neither destroys nor sinks into idleness. Waterpower once wasted now is transformed into electricity, consumed by households, farmers, industries, and great atomic plants. It earns more than enough revenue to pay its own costs and repay the Federal Government for its appropriations invested in power. Demand for electricity for defense and peacetime use has outstripped the power capabilities of the river, requiring huge steam plants which soon will be TVA's main source of power—and this investment too is repaid to the Government through power earnings.

4. TVA's low electric rates have been an example for the Nation and a check on the power rates of privately owned utilities. Consumer savings resulting from lower private power rates—and among the important consumers is Uncle Sam—run to the hundreds of millions of dollars. Earnings for the private utility stockholders at the same time have swelled.

5. Fertilizers developed, tested, and demonstrated by TVA are speeding a revolution in southern agriculture. Pastures are supplanting boom sedge and sassafras briers. Dairying and stock farms are returning a better living than corn or cotton. Forest industries are growing and trees are becoming a money crop. Erosion is declining and water is retained to do its work on the land. The use of fertilizer is increasing nationwide.

6. By stimulating the interest of State and local agencies close to the people, TVA has opened new avenues for joint action against common problems, strengthening State and local initiative. Real incomes are rising, creating new buying power for the entire country. Per capita income in the valley has gone from 44 percent to 60 percent of the national average.

7. TVA power furnishes the base for some of the most strategic defense industry of the Nation. Two giant atomic plants operate in the valley, as well as a great Air Force supersonic wind tunnel, a guided missile installation, and vital light metal industries for jet aircraft; these defense plants and industries will by 1957 be using 75 percent of TVA power.

These are some of the facts which have made TVA's 22 years of creative effort a cooperative adventure in faith—faith in man's ability to voluntarily achieve harmony between human pursuits in making a living and nature's fruitful habits of growth and production.

And these are some of the reasons why TVA dams carry the label "Built for the People of the United States." Today, sunshine, soil, water, and human beings are working together in a once economically depressed Tennessee Valley.

All America benefits.

Mr. SPARKMAN. Mr. President, I also ask unanimous consent to have printed in the RECORD an editorial entitled "Blind Prejudice," published in the Denver Post.

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

BLIND PREJUDICE

The Hoover Commission, we fear, has become so obsessed with the idea that Government is competing unfairly with private business that its judgment is no longer entirely trustworthy.

There may be instances of unfair or unjustified competition but the fertilizer research and manufacturing program carried on by the Tennessee Valley Authority, about which the Hoover Commission complains in a recent report, is not one of them.

The Commission pretends alarm because TVA manufactures 4 percent of the national output of phosphate and nitrate fertilizers—not a very substantial share. It objects because TVA sold fertilizer in 35 States last year and is no longer a regional enterprise, as originally contemplated.

Actually, Congress, when it established the TVA, showed that it intended the fertilizer program of TVA to benefit agriculture generally, not merely the agriculture of the Tennessee Valley.

TVA research should be stopped, the Hoover Commission says, and TVA should be forced to increase its price for fertilizer to include all costs including fictitious tax costs that a private industry would pay.

It seems obvious that the Hoover Commission has no understanding of the basic reasons for the TVA fertilizer program. Perhaps it is not aware that TVA is authorized even to give away its fertilizer if such donations will stimulate farmers' interest in soil building practices.

Instead of being a menace to private fertilizer companies, TVA has been one of the best friends that industry has had. Its research has helped private industry to make better fertilizers. TVA patents are used by private industry without cost.

TVA's highly successful program of educating farmers to the proper use of fertilizers has created a big demand for the fertilizers put out by private companies. TVA's role has been one of pioneering. Its work has helped bring about a revolution in agricultural methods.

It is now preparing to get out of the manufacture of concentrated superphosphate to push other fertilizer products into trial and use.

We fear the Hoover Commission has a blind prejudice against TVA which is not justified by actual performance.

THE HOOVER COMMISSION

Mr. SPARKMAN. Mr. President, finally I ask unanimous consent to have printed in the RECORD an editorial entitled "Achievement: Zero," published in the St. Louis Post-Dispatch, which deals with the Hoover Commission and its work.

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

ACHIEVEMENT: ZERO

The second Commission on Organization of the Executive Branch of the Government has just requested and received from Congress a quarter of a million dollars on top of the $2½ million it had already spent. Has its work justified these large expenditures of the taxpayers' money?

A fairly clear answer ought now to be possible, for the Commission is well into the final phases of its activities. With a 1-month extension just granted by President Eisenhower, its life will end at the close of June, and it must finish getting out its reports within an additional 90 days.

Since both the first and second commissions have borne the same name, have been headed by former President Hoover, and have been popularly known as the Hoover Commission, one might suppose them similar. Without question the first Commission performed a notable public service in proposing measures to improve the efficiency of the Federal Government. The second Commission, however, is totally different from the first, both in makeup and purposes.

The makeup of the first Hoover Commission was bipartisan. It consisted of 6 Republicans and 6 Democrats.

The makeup of the second Hoover Commission is predominantly Republican. There are 5 Democrats and 7 Republicans.

The purpose of the first Hoover Commission was to make the Federal Government more efficient by improving its organization and operations. The purposes of the second Hoover Commission are to recommend "abolishing services, activities, and functions not necessary to efficient conduct of Government, or more properly falling under jurisdiction of State or local governments, or competitive with private enterprise."

As head of the first commission, Mr. Hoover took scrupulous care to avoid political partisanship. As head of the second commission, Mr. Hoover has been bitterly and continuously engaged in right-wing Republican politics. He has advocated selling TVA to private utilities. He and his task forces have attacked the New Deal and the Fair Deal. They have attacked the Eisenhower Administration for continuing and extending the New Deal and Fair Deal reforms.

The first Hoover commission saw some three-fourths of its recommendations enacted into law. The second commission has submitted 11 of its eventual 16 reports, but no part of any one of them has been enacted into law or has even been embodied in a bill for submission to Congress. The commission itself has not submitted a bill for effectuating any of its proposals, although empowered by law to do so.

So against the 75 percent score of the first Hoover commission, the second Hoover commission score to date is zero.

There must be meritorious suggestions among the second commission's reports on the Armed Forces, the civil service, the lending, insuring and guaranteeing activities of the Government, transport functions, paperwork management, judicial functions, and other subjects of its studies. But these meritorious proposals are submerged under a crushing burden of propaganda and invective.

What Mr. Hoover seems to fail to realize, in this amazing effort to turn the clock at

Washington back to the time of the Hoover Administration, is that the reforms he wants to abolish were enacted with the approval of an overwhelming majority of the voters of this country.

The hard truth is that the second Hoover commission does not command the respect or support of the public as did the first. The unfairness of stacking the commission in favor of one party put it under a cloud from the outset. The further unfairness of stacking the task forces in favor of the private-business point of view further diminished the commission's influence.

Former Senator Ferguson of Michigan, who with Representative BROWN of Ohio fathered the second Hoover commission, made no bones about the prejudged purpose. "This will give us an opportunity at last," he said, "to reverse the trend of the last 20 years. * * *"

We submit that the second Hoover commission has not produced $2,750,000 worth of results or any part of it. In an economy administration, what justification can there be for the expenditure of millions of dollars of the taxpayers' money on this noisy but totally unproductive performance?

SETTLEMENT OF STRIKE AT FORD MOTOR CO.

Mr. NEUBERGER. Mr. President, the settlement reached by the Ford Motor Co. and the United Automobile Workers is a demonstration of industrial statesmanship. It shows that collective bargaining can work when men want it to work. It points the way to a higher standard of living and to industrial peace.

Both sides made concessions to avoid a paralyzing strike. Walter Reuther and his associates in the union gained their principle of a guaranteed annual wage, but along the modified lines proposed by the Ford Co., rather than under the original union formula.

This, it seems to me, is the ideal route in a great democracy. Each side yields to some degree. The result is a stride on the highway of progress—perhaps a longer stride than some desired, maybe a little shorter than a few had urged. But I think the whole Nation owes a debt to the CIO union and to the vast manufacturing empire, because both forces were willing to temper their positions in order to keep our economy in high gear.

Not all labor negotiations will follow this pattern in the immediate future, if for no other reason than the fact that few industrial plants have the vast resources of the Ford Motor Co. Nor is every industry the giant automobile industry. But this agreement may, eventually, be the formula in certain other industries, and it is well for the public to understand that this development could well be historic.

I notice that the National Association of Manufacturers has condemned the agreement between the UAW and the Ford Co. One only can wonder where America would be today if, in all instances, its people had accepted the counsel of the National Association of Manufacturers? Would there be any social progress at all? Would we be out of the cave, in terms of living standards? Would there be any protective safeguards whatsoever for men, women—yes, and children—in industry?

I would rather trust the judgment of the United Automobile Workers and the Ford Motor Co., reached across the conference table, than that of the NAM. I ask that a very illuminating editorial from the June 7, 1955, issue of the Washington Post and Times Herald, entitled "Settlement at Ford," be printed in the RECORD at this point as part of my remarks.

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

SETTLEMENT AT FORD

The historic agreement signed yesterday by the Ford Motor Co. and the CIO United Automobile Workers is based on the concept of an expanding economy. The stock market reacted to the news of the settlement with a burst of confident activity. There will be no big automobile strike this year, for General Motors and Chrysler almost certainly will accept the Ford formula. This means uninterrupted operation of the industry that has sparked the current business expansion. It is another good break for the Eisenhower administration. Happily, there seems to be a much larger demand for cars than had been estimated earlier in the year.

Walter Reuther is the immediate victor in this settlement because he has established the principle of the guaranteed wage. However, the Ford Co. makes a big point of the fact that the settlement plan was conceived and formulated by Ford executives. Wherever the credit for the settlement is due, a principle has been established that will be relatively easy to maintain in good times and exceedingly difficult to support in times of stagnation and contraction. The pressure on business as well as Government to promote full business activity, therefore, will be exceedingly great. Moreover, the motor companies will be under real compulsion to stagger their production schedules in such a way as to reduce to the minimum the periods of slack employment. Already they have moved a long way to reduce the period of unemployment caused by the change of models, and they will, no doubt, be able further to reduce this period.

Mr. Reuther did not get his guaranteed annual wage in the form he wanted it, but he came close enough to be happy. The formula should help sustain the purchasing power of workers without causing unbearable hardships on the large corporations. However, it is difficult at this time to see what the effect will be on the auto suppliers and on the small automobile producers. Here again there appears to be an unintended but disturbing pressure toward monopoly. If Mr. Reuther insists upon the same terms with the smaller automobile manufacturers, he may drive them to the wall. In any event, it would not be surprising if the small companies were forced by these and other circumstances to combine in a single company in order to compete with the Big Three. It is highly important that States adjust unemployment benefits to the needs of the times for the protection of smaller companies generally.

While the overall labor cost increase to the Ford Co. is very large—about 10 percent—it should not have an immediate inflationary effect on the economy generally. After all, the auto industry employs only about 1½ percent of the total American labor force. Despite the fact that the settlement will spur other wage increases in many sectors of the economy, the inflationary pressures should be controllable. Moreover, by the end of the year it may be highly desirable to have an expanded purchasing power.

If the wage increases should be quickly passed on to the consumer, however, there would be few benefits. A general boost in the price of cars might result in a slump in auto sales. Labor has a heavy responsibility, therefore, to cooperate in other economies and to work toward increased productivity through the use of new machines. If auto prices are to be held in line or even reduced, automation must be accepted for what it is: a method of raising the general living standard.

PROPOSED AMENDMENT OF NATURAL GAS ACT

Mr. NEUBERGER. Mr. President, on May 18, 1955, the City Council of Portland, Oreg., adopted a resolution opposing legislation to amend the Natural Gas Act so as to nullify the decision of the Supreme Court of the United States that under that act producers are subject to the regulatory authority of the Federal Power Commission, and to exempt them from the act.

The text of the resolution has been printed in the RECORD at the request of my senior colleague [Mr. MORSE], and has been referred to the Committee on Interstate and Foreign Commerce. At this point, Mr. President, I ask unanimous consent to place in the RECORD my reply to the Portland City Council.

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

Mayor FRED L. PETERSON,
Council of the City of Portland,
Portland, Oreg.:

In passing Resolution 26577 to oppose abandonment of Federal control over natural gas prices, you have taken a step in the public interest, not only of Oregon but of all gas-consuming areas in the country. The stand of the council is particularly foresighted because Portland will soon be served by natural gas. The consumers of this fuel can be assured a reasonable rate structure only through effective and vigilant regulation. I expect to vote against any bill to withdraw such Federal regulation which may reach the floor of the Senate.

Regards,

RICHARD L. NEUBERGER,
United States Senate.

TRIBUTE TO FERIDUN CEMAL ERKIN, RETIRING AMBASSADOR FROM TURKEY

Mr. BRIDGES. Mr. President, one of the most distinguished members of the Diplomatic Corps in Washington will leave us shortly. I refer to the Ambassador of Turkey, Feridun Cemal Erkin, and I believe that his abilities and achievements should be invited to the attention, not only of this body, but of the American people as well.

Ambassador Erkin was educated in Istanbul and later in Paris, where he majored in law. Upon his return from Paris he served as Secretary General to the International Turko-Greek Exchange Commission from 1925 to 1927.

His first diplomatic assignment was to Prague and later to the Turkish Embassy in London where he served as First Secretary in 1928 and 1929. Subsequently he served as Counselor and Chargé d'Affaires in Berlin, and as Turkish Consul General in Beirut.

In 1937 he returned to the Foreign Office and was promoted to the rank of Director General of the Commercial and Economic Department of the Ministry and then to head the Political Department of the Turkish Foreign Office.

After 3 years' service as Director General of the Political Department Ambassador Erkin was promoted, in 1942, to Assistant Secretary General with the rank of Minister and in 1944 he became Minister Plenipotentiary. In 1945, he was promoted Ambassador and became Secretary General, a rank equal to our Under Secretary of State.

During his tenure of office as Secretary General, especially in the course of the tense years of the postwar period, Ambassador Erkin countered successfully all manifestations of Soviet pressures and in 1946, when the Soviets delivered the well known notes to the Turkish Government demanding the common defense of the Straits, he personally prepared the responsive communications refuting from political, legal, and military standpoints all the Soviet demands and arguments. These two notes were praised at the time in all the capitals of free Europe as being diplomatic masterpieces.

His transfer to Washington took place in June, 1948. Feridun Cemal Erkin, since the very day of his mission in the United States, has spared no efforts to further strengthen the bonds of cooperations existing between the United States and his country.

Ambassador Erkin has attended the following international conferences as a member of the Turkish delegation:

Advisor to the Turkish delegation to one of the sessions of the Disarmament Conference in Geneva.

Advisor to the Turkish delegation to the Conference convened in Paris in 1932 to liquidate the Ottoman Public Debt.

Advisor to the final session of the Balkan Entente which took place in Belgrade in 1940.

A delegate to the United Nations Conference in San Francisco, 1945.

Chairman of the Turkish delegation to the final session of the Leauge of Nations in Geneva, 1946. Vice President of the General Assembly of the League.

Chairman of the Turkish delegation to the Conference to conclude a Treaty of Peace with Japan in September, 1951, at San Francisco.

Mr. Erkin has been elected in 1949 member of the International Diplomatic Academy in Paris, France. He is a member of the Academy of Political Science of New York.

It is particularly noteworthy that Ambassador Erkin received, in March 1953, from the Aviator Post No. 1, of the American Legion, a citation which addressed him as the "Courageous Son of a Courageous Nation." The tremendous contribution of Turkish fighting men, as our Allies in Korea, is well known—it does not require repetition. It is sufficient to say that Ambassador Erkin has ably represented a powerful and respected member of the community of free nations, and I am particularly pleased that he has been so recognized by this American Legion post.

This same spirit was demonstrated in February 1954, when Ambassador Erkin was made honorary citizen of the city of Dallas, Tex., by a decision of its city council.

I am very pleased to have this opportunity of saying "well done" to a man who has been an able representative of the Republic of Turkey and a good friend of the United States.

REBUKE OF AMERICAN LEGION NATIONAL COMMANDER COLLINS BY ADM. EARL MOUNTBATTEN

Mr. BRIDGES. Mr. President, there appeared in the June 7 issue of the Washington Post and Times Herald a news item reporting that Adm. Earl Mountbatten, Britain's first sea lord, had rebuked National Commander Seaborn P. Collins of the American Legion because of the commander's condemnation of communism in general.

Lord Mountbatten delivered his remarks before the British Empire Ex-Servicemen's League shortly after Commander Collins had spoken.

Mr. President, I take this occasion to praise the national commander of the American Legion for his comments and, insofar as it is possible for an American to do so, reprimand Lord Mountbatten.

The remarks which offended the first sea lord were those in which the national commander warned against Communist peace offensives.

Commander Collins' further statement was:

> The godless tyranny of communism is a more eternal and continuing threat to our existence as free nations than any which existed during the darkest hours of World War II.

I think Commander Collins is to be commended for that statement. I am proud that the American Legion has a leader like Commander Collins, and that he has the courage to stand up and say such a thing. I commend him for saying it in London. I disagree wholeheartedly with Lord Mountbatten, who criticized the commander of the American Legion for pointing out the dangers to the free world of international communism and the great international conspiracy. I am glad American leaders are speaking out.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the article entitled "Legion Head Gets Rebuke for Red Blast in Britain," published in the Washington Post and Times Herald.

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

LEGION HEAD GETS REBUKE FOR RED BLAST IN BRITAIN

LONDON, June 6.—Adm. Earl Mountbatten today rebuked National Commander Seaborn P. Collins of the American Legion for a speech blasting communism in general instead of concentrating on the welfare of ex-servicemen.

The reprimand came in Mountbatten's remarks to a conference of the British Empire Ex-Servicemen's League shortly after Collins warned the conference against Communist peace offensives.

Mountbatten, Britian's first sea lord and wartime commander in Southeast Asia, told the gathering:

"I would point out to Mr. Collins that we confine ourselves to the ex-servicemen, which is the main objective of the league. It is outside politics."

Earlier, Collins launched into one of the bitterest condemnations of communism ever heard at a public meeting in Britain.

"The godless tyranny of communism is a more eternal and continuing threat to our existence as free nations than any which existed during the darkest hours of World War II," he told the delegates of 39 countries.

Admitting it would be more diplomatic to avoid discussion of communism, the American Legion commander said he nevertheless felt compelled to meet the issue head-on.

"Appeasement will never stop aggression," he said. "We must not be deceived by continuous peace offensives.

"The Communist tactics may change from time to time to meet changing conditions, but their basic purpose never changes. We know this and we know you cannot do business with a blackmailer."

NECESSITY OF AMENDMENT TO PRESENT IMMIGRATION AND NATURALIZATION ACT

Mr. WILEY. Mr. President, I have long felt that constructive changes should be made in our current immigration and naturalization laws in the interest of expedition, justice, and fair play.

I have felt that the codification of these laws represented an important forward milestone, but that the newly codified statutes could be revised in the light of our recent experience, without in any way doing harm to the basic need for security.

We all recognize that residence in the United States—both on a temporary or a permanent basis—is a great privilege, and we do not want it abused.

We know that world communism has sought to infiltrate the ranks of immigrants, and that such infiltration is not only harmful to the cause of American security, but that it tarnishes unfairly the good name of immigrants as a whole.

Of course, we are a country of immigrants. My own parents came from the Old World. I have seen the miracle of assimilation into the American fabric occur all around me in my native State.

President Eisenhower has pointed up the revision problem to which I have just referred. I hope that the Immigration Sub-Committee of the Senate Judiciary Committee will give its early and earnest consideration to his recommendations.

I hope too, that a common meeting ground can be promptly found in the interest of the various goals I have set forth.

I send to the desk now the text of a letter which I have received from the Milwaukee region of the Women's American Organization For Rehabilitation Through Training—a letter similar to many other earnest expressions which I have received from my State.

I ask unanimous consent that it be printed at this point in the body of the RECORD.

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

SUMMIT CHAPTER,
WOMEN'S AMERICAN ORT,
MILWAUKEE REGION,
April 1, 1955.

President DWIGHT D. EISENHOWER,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: In keeping with celebration of Brotherhood Week, the Summit Chapter of Women's American Organization of Rehabilitation Training recently presented

a program devoted to explanation and discussion of the McCarran-Walter Immigration Act.

As a result of this discussion, our members concluded that this act contains many discriminatory measures in conflict with our democratic ideals of equality. Since our organization is devoted to the purpose of freeing people to help themselves through vocational rehabilitation, it naturally follows that we use our efforts to permit people to apply the knowledge and skills imparted to them without discrimination or injustice.

Accordingly, we, the undersigned, respectfully request you to use your good office to expedite the revision, repeal, or replacement of this act regarding which you have previously expressed disapproval along with numerous other informed citizens and groups such as ours.

Respectfully yours,

Mrs. MAX LUBOTSKY,
President.

UNITED STATES PRIVATE BUSINESS INVESTMENTS ABROAD

Mr. WILEY. Mr. President, I have long been deeply interested in encouraging sound private United States investment overseas.

Last year, at the Inter-American Economic Conference outside Rio de Janeiro, it had been my privilege, in speaking to the delegates, to emphasize the importance of their own contributing to a favorable climate for American private investments.

I emphasized quite frankly that there are abundant opportunities for the investment of private risk capital here at home with comparatively handsome returns.

I pointed out that if foreign lands expected to increase United States private investments within their borders, certain important steps were necessary to be taken by these countries. I stated, in turn that I felt sure that the United States Government would uphold its end by continuing to increase its effort to stimulate private investments abroad.

Last Thursday afternoon, by way of helping this process, it was my personal pleasure to arrange for a special luncheon conference. It consisted of legislators, Government officials, and private business leaders. Its subject was ways and means of encouraging private investment overseas.

I was pleased that a very impressive group of leaders in various outstanding walks of life interrupted their busy day to be present with me.

I send to the desk a statement which I have prepared on this subject, and ask unanimous consent that it be printed at this point in the body of the RECORD.

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

STATEMENT BY SENATOR WILEY

How can United States businesses be stimulated to increase their investments overseas, so that foreign countries can be aided in their economic development?

How can private enterprise "pick up the ball," so to speak, so that thereafter, there will be less reliance on official Federal activities? What, precisely, can the Federal Government — legislative and executive branches—formally and informally—do to stimulate private investment?

These were some of the important questions to which the attendants at the luncheon conference on June 2 addressed themselves.

We heard a wide variety of interesting statements, and there was considerable similarity in the views spontaneously expressed.

COMMENT BY OFFICIALS

Dr. Arthur Burns, Chairman of the President's Council of Economic Advisers, began the discussion by describing the administration's overall efforts to stimulate private investment abroad as did W. Randolph Burgess, Under Secretary of the Treasury for Monetary Affairs. Particular reference was made to the very promising International Finance Corporation proposal now being studied by the Senate Banking Committee.

Mr. Eugene Black, president of the International Bank for Reconstruction and Development presented an account of the work of that great institution. And General Glen Edgerton, Chairman of the Board of the Export-Import Bank described the work of his organization.

Mr. Samuel Anderson, Assistant Secretary of Commerce, ably represented Secretary Sinclair Weeks (who unfortunately had a previous commitment). Mr. Anderson commented very realistically on the problem of the inevitable competition between opportunities for foreign investment as against abundant local opportunities. Foreign countries in turn should recognize that such a competition for the investment of United States risk capital very definitely exists and that they should evaluate their policies and statutes in relation to foreign capital on the basis of that competitive fact.

Mr. Eric Johnston, Chairman of the International Development Advisory Board and president of the Motion Picture Association of America commented on the fact that unfortunately in spite of strenuous efforts to the contrary, the disparity of well-being between some nations is widening, rather than narrowing. The underdeveloped lands, while making very welcome progress, are falling further behind in the gap between themselves and the nations most highly advanced technologically.

NEED FOR REDUCTION IN TAX RATE

Mr. Juan Trippe, president of the Pan-American World Airways, clearly described some of the specific challenges and problems of foreign investment abroad.

He soundly brought up an issue which was thereafter discussed by other speakers, namely, the need for action on the Secretary of the Treasury's recommendation for the reduction of 14 points in tax rates on overseas investment, as a means of encouraging United States business to invest abroad.

This point was reiterated by Mr. Theodore Houser, chairman of the board of Sears, Roebuck & Co. He described the very interesting work of the six Sears corporations in Latin America. He rightly emphasized that, although we may speak of Latin America as a whole, each of the countries is unique in its own ways. Mr. Houser pointed up certain specific problems raised by currency devaluation in some foreign countries and inability to receive local bank credit on the basis of consumer loan paper.

PROPOSED CITIZEN INVESTMENT

Mr. Benjamin Javits, president of the World Development Corp., described his broad-gaged proposal to encourage investment by millions of average Americans in such a corporation for the purpose of providing a sufficient pool of capital for diverse investment in private enterprises overseas. This view had been expounded earlier in his stimulating book, Peace by Investment.

Mr. Javits proposal has received considerable attention in expert government and private circles in our own country and abroad.

Congresswoman FRANCES BOLTON praised the idea of encouraging average private citizens at the grassroots to participate in United States investment overseas on a sound basis, perhaps through small amounts of a few dollars weekly.

Mr. Burl Watson, president of the Cities Service Co. described some of the experiences of his company in its overseas activities.

The Honorable Jacob K. Javits, attorney general of the State of New York, spoke in his capacity as a private citizen and as a former chairman of the House of Representatives Foreign Affairs Subcommittee on Foreign Economic Policy. He emphasized the need for a program of broad enough scope to cope with the tremendous investment problem overseas—a program of this type offered by the World Development Corp. which he commended to further earnest review.

Others who spoke briefly included Mr. John White, counsel of Anderson-Clayton Co.; Mr. A. L. Partridge, vice president of Westinghouse Electric International; Mr. Samuel Pryor, vice president of Pan American World Airways; and Miss Julie Medlock, vice president of the World Development Corp.

NUMEROUS LEGISLATORS PRESENT

We were pleased to have a considerable representation of leading Members of Congress at the meeting.

These included Congressmen JOHN VORYS, of Ohio; STERLING COLE, of New York; CLARENCE BROWN, of Ohio; FRANCIS WALTER, of Pennsylvania; STUYVESANT WAINWRIGHT, of New York; BRENT SPENCE, of Kentucky; HUGH SCOTT, of Pennsylvania; as well as my colleagues, Senators STUART SYMINGTON, of Missouri; RUSSELL LONG, of Louisiana; and W. KERR SCOTT, of North Carolina.

Also present was a staff member, Mr. Julius N. Cahn, counsel of the Senate Foreign Relations Committee, who had helped me set up the meeting.

Only the fact that the Senate was at that very moment concluding its debate of the 1956 mutual security bill prevented the attendance of a considerable number of other Senators who had indicated their deep interest in the overall subject.

Likewise, a number of outstanding business leaders like Mr. Charles E. Wilson, chairman of the board of W. R. Grace & Co., and Mr. Victor Emanuel, chairman of the board of AVCO Corp., had hoped to be on hand but were unfortunately prevented by previous commitments.

SUMMARY

I personally concluded the meeting with the observation that, of course, no subject of this importance and complexity could even be begun to be studied in so brief a luncheon meeting, but that I felt that the discussion had provided food for thought.

I have not, of course, attempted in this summary to cover even a fraction of the points which were raised at the meeting, but have tried only to touch upon a few of the high spots.

Reference, for example, was made to the recent notable New Orleans Conference on Inter-American Investment cosponsored by Time-Life International and New Orleans International House. Out of that conference is coming, among other beneficial results, a $10 million inter-American investment fund, arranged by Lehman Bros., a particularly promising development.

LATIN AMERICAN OPPORTUNITIES

I feel sure that in the months to come the present $6 billion in United States capital and the 2,000 United States-financed enterprises, represented in Latin America alone, will be widely supplemented.

Right now, as a matter of fact, 39 percent of all United States private direct foreign investment is in Latin America. Canada follows with 31 percent, Western Europe with 14 percent, and all others areas trail with 16 percent.

There are vast frontiers for investment ahead. But we can hardly speedily approach these frontiers in the face of such

difficult problems as occasional foreign confiscations of investment, ofttimes rigid restrictions on withdrawal even of modest earnings, inconvertibility of currency, and the like.

Moreover, the unwillingness of some foreign lands to put their financial houses in order—to curb rampant inflation, for example—is a serious impediment.

These and other problems must be squarely met. Fortunately, progress is being made.

All over the world United States businessmen are enterprisingly blazing new trails for new and expanded industries.

United States construction companies in particular are literally remolding the face of entire regions and foreign-city areas.

The best is yet to be in world economic cooperation for peace, security, and prosperity.

LETTER FROM JOINT COMMITTEE ON BACKGROUND OF DISAGREEMENT ON LOWERING TAX RATE

I conclude now by reprinting the text of a letter from the Joint Committee on Internal Revenue—a background reply sent me at the start of this year in response to an inquiry I had made on behalf of lowering the tax rate on United States private earnings throughout the world. Unfortunately, the differences reflected in this letter have prevented action to date on the reduction proposal.

I hope, in conclusion, that the June 2 luncheon conference may prove a contribution, however small, in progress toward this and other worthwhile objectives.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, January 6, 1955.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: You have requested a summary of the provisions contained in H. R. 8300 (83d Cong., 2d sess.) which provided a lower rate of tax for foreign income. You have also inquired as to the reasons why these provisions for a lower rate of tax for foreign income in the House bill were not accepted upon final enactment of H. R. 8300 as the Internal Revenue Code of 1954.

Under the 1954 code (and under prior law), there is no differential on tax on foreign and domestic income except for a lower rate of approximately 14 points on income derived by domestic corporations which qualify as Western Hemisphere trade corporations.

Provisions were contained in the House bill (H. R. 8300) which would have granted to domestic corporations a reduction in United States tax equal to 14 percent of income from sources within any foreign country provided certain tests were met which were set forth in those provisions. In general, these tests required that the foreign income be derived from the active conduct of a trade or business in the foreign country. A trade or business was specifically defined so as to exclude, however, the following: (1) The operation of an establishment engaged principally in the purchase or sale (other than at retail) of goods or merchandise, or (2) the maintenance of an office or employment of an agent (other than a retail establishment) to import or to facilitate the importation of goods or merchandise. Thus, income derived by a foreign business establishment engaged principally in selling goods (other than at retail) did not qualify for the rate reduction.

In addition to income derived from foreign subsidiaries or branches of domestic corporations engaged in the active conduct of a business in a foreign country, the rate reduction was also extended to income derived from foreign sources as compensation from technical, engineering, scientific, or like services.

The House bill also contained provisions whereby domestic corporations could elect to defer tax on income of certain foreign branches in a manner similar to the way in which tax on the income of foreign subsidiaries is deferred. In other words, foreign income derived from the qualifying foreign branches would not be subject to United States tax until brought home. In order to qualify, the foreign branches were required to be engaged in the active conduct of a trade or business with the same definitional requirements of a trade or business as contained in the foreign income credit. When brought home, the income of the foreign branches would, under the House bill, have then been entitled to the 14-point rate reduction.

In the public hearings held by the Senate Finance Committee on H. R. 8300, objections were raised to the above provisions of the House bill. These objections were principally directed to the restrictions which denied the 14 percent credit to foreign business consisting principally of wholesale merchandising. For example, in a prepared statement by George F. James, chairman of the National Foreign Trade Council Tax Committee, and Mitchell B. Carroll, special counsel of the National Foreign Trade Council Tax Committee, it was indicated that the provision of the House bill contained needless restrictions with respect to the types of business activities which could qualify for the special rate differential. Mr. James and Mr. Carroll stated:

"Many businesses with very substantial existing and prospective investments abroad will find it necessary to consider artificial divisions of their integrated business in an attempt to qualify a portion of the gross income within the restrictive language of section 923. Furthermore, there seems no reason to exclude from the intended benefit genuine and real business activities conducted abroad merely because they fall in the trading or wholesale category" (hearings before the Committee on Finance, pt. 2, p. 860).

It was suggested instead in their statement that the objectives of the House bill could be obtained by substituting for the restrictive provisions contained therein a provision that at least 90 percent of the income be derived from the active conduct of a trade or business through a permanent establishment situated within a foreign country.

A statement by the Federal Tax Forum, presented at the hearings by Paul D. Seghers, similarly criticized the above provision of the House bill as being wrong in principle. He indicated that the 14 percent credit should not be denied to income derived from the sale of goods (other than at retail), but instead that the credit should be allowed with respect to income resulting from all sales of goods outside the United States where substantial inventories, personnel, and a permanent establishment are maintained abroad for that purpose (hearings, pt. 2, pp. 890, 891).

Andrew W. Brainerd, of a Chicago law firm specializing in private international law, likewise criticized the restrictive provisions of the House bill. He suggested that American firms with sales representatives in foreign countries, such as drug manufacturers, should be entitled to the foreign income credit on their sales abroad, whether at wholesale or retail (hearings, pt. 3, pp. 1669–1673).

Laurence A. Crosby, chairman of the tax committee, American Chamber of Commerce of Cuba, stated at the hearings that the restrictions on the foreign income credit in the House bill would deprive many corporations of any benefit. He stated, "The sales establishments in Cuba represent considerable investments, yet for some unknown reason they would continue to be subjected to the competitive disadvantage suffered from having to bear the excess of the United States rate over the credit allowed against the United States tax for Cuban taxes" (hearings, pt. 3, p. 1634).

Eric Johnston, president of the Motion Picture Export Association, stated before the Senate Finance Committee that the provisions in the House bill for the foreign income credit would apparently not apply to the motion-picture industry since it appeared doubtful that film rentals, from which the motion-picture industry chiefly derives its foreign income, would qualify under the proposed provisions. He recommended that the House bill be amended to specifically apply the foreign income credit to the film rentals (hearings, pt. 2, pp. 723–727).

A statement submitted by E. R. Barlow and Ira T. Wender of the Harvard law School faculty indicated that their studies of foreign investment problems, together with their interviews with executives of United States corporations investing abroad, indicated to them that lower United States taxes would be unlikely to provide any significant stimulus to foreign investment. They stated that the proposal in the House bill would not stimulate foreign investment but would represent a bonus to concerns already engaged in investment activity in foreign countries, as well as a revenue loss substantially in excess of that estimated (hearings, pt. 3, p. 1722).

The provisions of the House bill providing a 14-percent credit for foreign income and for deferring tax on income from foreign branches were deleted by amendments made by the Senate Finance Committee. The following reasons were given for the deletion of these provisions:

"Your committee is not at this time prepared to adopt the approach to the problem incorporated in the House bill. This is new ground being explored and it presents uncertainties and difficult problems. Your committee has explored various alternative approaches but has been unable to find a solution which appears satisfactory.

"Accordingly, your committee has omitted the proposal from the bill as reported by it with the thought that exploration of the matter in conference with the House of Representatives will make it possible to adopt a provision which would be satisfactory." (S. Rept. No. 1622, 83d Cong., 2d sess., p. 105.)

The committee of conference on H. R. 8300 accepted the Senate's deletion of the above provisions of the House bill with the following explanation:

"It is the opinion of the managers on the part of the House that in view of the numerous objections raised to the specific provisions of the House bill, the large amount of revenue involved (approximately $145 million), and the difficulty in working out a satisfactory provision in conference, the foreign income provisions should be omitted from the bill and postponed for a more thorough study." (Conference Rept. No. 2543, 83d Cong., 2d sess., p. 68.)

The provisions of the House bill which dealt with the above problems, together with the Ways and Means Committee report in explanation of these provisions, is attached to this correspondence as a supplementary memorandum.

Sincerely yours,

COLIN F. STAM,
Chief of Staff.

PROBLEM FOR THE BAR

Mr. WILLIAMS. Mr. President, in the Washington Daily News of June 6, 1955, there appeared an editorial entitled "Problem for the Bar." In this editorial they point out that "in the legal profession, ethics is the specific and lawful responsibility of the bar associations." They call upon the American Bar Association to exercise a greater de-

gree of responsibility in maintaining a higher standard among their membership. I think this is a most timely reminder to the American Bar Association, and I ask unanimous consent that the editorial be printed in the RECORD at this point.

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

PROBLEM FOR THE BAR

A great many public officials also are lawyers. Most of them, from city councilmen to United States Senators, practice law on the side, despite their official jobs.

When they choose their cases carefully, it probably doesn't matter much.

But when they accept cases and clients which obviously come to them only because of their official connections, they're asking for trouble.

At the best, these situations have the earmarks of influence peddling. At the worst, they have almost the stench of bribery.

Off and on, there have been efforts to curb the worst of these abuses.

A bill is going before Congress to prevent the United States Commissioner for the District from practicing any law on the side.

This follows disclosure that the Commission, as a private attorney, billed 11 Spanish musicians $9,900 for routine legal services he performed in an effort to keep them in the country.

Representative KENNETH B. KEATING, Republican, of New York, who is introducing the bill, said:

"This representation of private clients before a Federal Government agency by an official of the Federal courts raises serious questions of propriety."

That's a cautious understatement.

But the Commissioner's case is one of many. Others which differ in degree, but not in principle, include:

The State legislators who turn up as well-paid attorneys for powerful interests like railroads and utilities.

Or the city councilmen who defend gamblers and other crooks, and whose presence in court too often is interpreted by police as backdoor city hall endorsement of certain types of crime.

No law, or series of laws, could cover all these situations, nor correct all the evils they generate. Actually, it's more a question of ethics than of law.

In the legal profession, ethics is the specific and lawful responsibility of the bar associations.

The whole machinery of American justice is in the hands of lawyers. Bar groups ought to make sure—doubly sure—that these always are clean hands.

Mr. JOHNSON of Texas. Mr. President, if there is no further morning business——

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the bill (S. 2061) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

S. 153. An act to amend the Rural Electrification Act of 1936;

H. R. 3825. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H. R. 4294. An act to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces; and

H. R. 4725. An act to repeal sections 452 and 462 of the Internal Revenue Code of 1954.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 7, 1955, he presented to the President of the United States the enrolled bill (S. 153) to amend the Rural Electrification Act of 1936.

HOUSING ACT OF 1955

The Senate resumed the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, in view of the fact that time is running, and the fact that Senators are about to make general statements on the housing bill, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

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

The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	McClellan
Allott	Fulbright	McNamara
Anderson	George	Millikin
Barkley	Goldwater	Monroney
Barrett	Gore	Morse
Beall	Hayden	Mundt
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Payne
Bridges	Hruska	Purtell
Bush	Ives	Robertson
Butler	Jackson	Russell
Byrd	Jenner	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kennedy	Smith, Maine
Chavez	Kerr	Smith, N. J.
Cotton	Kilgore	Sparkman
Curtis	Knowland	Stennis
Daniel	Kuchel	Symington
Douglas	Langer	Thurmond
Duff	Lehman	Thye
Dworshak	Magnuson	Watkins
Eastland	Malone	Welker
Ellender	Mansfield	Wiley
Ervin	Martin, Pa.	Williams
Flanders	McCarthy	

Mr. JOHNSON. I announce that the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

Mr. SALTONSTALL. I announce that the Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Iowa [Mr. MARTIN] is necessarily absent.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from North Dakota [Mr. YOUNG] is absent on official business.

The ACTING PRESIDENT pro tempore. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I yield 20 minutes to the distinguished Senator from Alabama.

Mr. SPARKMAN. Mr. President, before beginning the debate on Senate bill 2126, I desire to make a brief statement to the Senate. As chairman of the Subcommittee on Housing, I wish to thank the members of the subcommittee and the full committee for their untiring work and cooperation in making it possible to report the committee bill to the Senate.

Before commenting on the major provisions of the several titles of this bill, I should like to touch briefly on the very careful consideration which this measure received in the Committee on Banking and Currency. The committee had before it the administration's housing bill and eight other related bills. Prior to the public hearings on these bills, the committee spent 2 days in discussing present housing programs at informal roundtable conferences with a number of interested witnesses. This was followed by 9 days of public hearings on the several bills before the committee. In its executive sessions, the committee combined the best features of these bills and also adopted various amendments recommended during the hearings by witnesses and by members of the committee.

I will now attempt to describe the major provisions of the basic programs contained in this bill. The amendments contained in title I of the bill would provide the necessary law for continuation of several major programs of the Housing and Home Finance Agency and its constituent agencies. It would also make a number of changes in existing law designed to enable the Agency more effectively to carry out the objectives of existing law. I shall take up these provisions as they affect each of the programs administered by the several agencies.

FEDERAL HOUSING ADMINISTRATION

I should like first to discuss the provisions in title I which apply to the program administered by the Federal Housing Administration. These amendments generally follow the administration's recommendations. However, the committee has added several amendments which it considered necessary after hearing testimony of witnesses appearing before it during the public hearings.

The bill would extend the title I home repair and modernization program for 5 years and would increase the maximum amount of home-improvement loans from $2,500 to $3,000.

The bill would also increase the general mortgage insurance authorization of the FHA. This amendment would provide for an aggregate of outstanding insurance liability and commitments as of June 30, 1955, plus $4 billion. The amount of unused authorization under existing legislation remaining on June 30, 1955, which it is estimated will be $600 million, would be merged with the new authorization. Thus, the actual increase in the authorization will probably not exceed $3,400,000,000.

The committee has included in this title an amendment to section 207—multifamily section—whereby FHA mortgage insurance on mobile home courts or parks would be provided. These mortgages would be limited to $300,000 per mortgage and $1,000 for each trailer space. This insurance would relate only to the land, utilities, and other improvements where mobile homes are to be located, not to mobile homes. The requirement of section 207 of the National Housing Act that the project covered by the mortgage be economically sound would apply to an insured mortgage on a mobile park. It is expected that FHA will impose such additional requirements and standards as necessary to assure that such mortgage insurance will improve the living conditions of the occupants of the parks involved.

The committee has likewise included provisions to reactivate the cooperative housing program under section 213 of the National Housing Act, as amended. While this program has proven successful in providing housing for the middle-income group, it has been restricted drastically by provisions contained in the Housing Act of 1954. One of these provisions had the effect of reducing the maximum amount of the mortgage for insurance. This provision changed the basis for determining the maximum amount of the mortgage from estimated replacement cost to estimated value. The bill provides that estimated replacement cost shall be the basis for making this determination in the future. It also authorizes the Federal National Mortgage Association to make advance commitments to purchase mortgages insured under section 213 in a total amount not to exceed $50 million. This authorization will do much toward revitalizing this program.

Another amendment would permit cooperative housing groups to use cooperative housing mortgage insurance to acquire Govenment-owend housing which is being disposed of under other provisions of law. Cooperatives can now use mortgage insurance for this purpose under other provisions of the National Housing Act, but section 213 would afford certain advantages under FHA regulations and procedures.

It is the intention of the Banking and Currency Committee that the FHA shall take affirmative action to make this program operative and effective and to make every effort through its regulations to encourage the formation of genuine consumer-sponsored cooperatives to be assisted under this section. We believe the purposes of this section can best be realized in cases where the cooperatives, from their inception, consist of members who actually intend to occupy the units to be constructed and who join the cooperative for that purpose.

The committee has proposed another amendment which affects Mortgage Insurance for housing in urban renewal areas. As Senators know, section 220 of the National Housing Act provides for a special mortgage insurance program to assist the construction and rehabilitation of housing in urban renewal areas. Although there has been general interest in the program, actual operations have so far been delayed. One of the principal obstacles causing the delay, we are informed, is the use of "estimated value" instead of "estimated replacement cost" as a basis for determining the maximum mortgage amount. The committee's amendment would permit the mortgage amount to be computed on the basis of "estimated replacement cost."

The committee has accepted the administration's recommendations designed to clarify the present mortgage limitation in the National Housing Act with respect to multifamily projects. The National Housing Act, as amended, now makes a $5 million mortgage limitation generally applicable to all such projects with private sponsorship. Because different persons or groups have interpreted this limitation differently, the committee believes it to be important that the limitation in the law be definite and firm but realistic in terms of present costs and the type of project to be undertaken. Accordingly, the bill provides that such limitation shall be increased to $12,500,000. It should be pointed out, however, that the limitation would be applied both to each individual mortgage and to the total amount of commitments outstanding at any one time under each section of the act with respect to projects in the same housing market area which involve a mortgagor or mortgagors under substantially the same control. The limitation, however, would not apply to two or more mortgages, even though the sponsors were the same, if the mortgages were not simultaneously in the commitment stage, that is, prior to the completion of the project and final endorsement of the mortgage for insurance. In the case of mortgage insurance under section 220 of the National Housing Act for multifamily projects in urban renewal areas, the mortgage limitation would be increased to $50 million.

The bill would also extend title IX of the National Housing Act for 1 year on a standby basis. It would also authorize the Commissioner to make final settlement on certificates of claim at any time after the sale or transfer of title by the FHA on sales housing acquired by it in cases of defaulted mortgages insured by it under the various sections of the National Housing Act.

The bill would remove "cost certification" requirements for single family homes insured under section 221 of the National Housing Act. This will make section 221 consistent with other sections of the act, none of which require cost certification on single-family sales housing.

The committee was advised that the FHA permits projects to obtain the benefits of the cooperative and regular rental housing programs only if each project has 12 or more units. The bill specifically authorizes any project to be eligible if it has eight or more units. Such insurance would meet a real need in many cases without adding unduly to the FHA insurance risk involved.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The bill would make several changes in the charter of the Federal National Mortgage Association. The provisions of the bill would reduce the amount of FNMA stock, which sellers of mortgages are required to buy, from 3 percent of the unpaid principal of the mortgage to 2 percent of such unpaid principal. The 3 percent requirement was contained in a provision enacted last year in the Housing Act of 1954, and we are informed the experience the Association has had so far has resulted in only a very small amount of private capital being accumulated from such contributions. We believe the required contribution should be reduced from 3 percent to 2 percent as a means of making the Association's secondary market operation a more workable program.

Another amendment to the charter of FNMA would require that mortgages purchased by it in its regular secondary market operations be purchased at prices which are on a uniform national basis.

As explained earlier, the Association would also be authorized to enter into certain advance-commitment contracts to purchase section 213 cooperative housing mortgages.

SLUM CLEARANCE AND URBAN RENEWAL

The bill would increase the capital-grant authorization under the slum-clearance and urban-renewal program to $525 million. The President would also be authorized to supplement this program by $100 million at any time within his discretion. This additional authorization is for use over a period of 2 years, $212.5 million being made available on July 1, 1955, and another $212.5 million to be made available on July 1, 1956. In providing for a 2-year authorization, the committee was impressed with testimony received with regard to the need requiring the use of these funds over a period of more than 2 years. The need arises because of the type of program which is involved. The committee recognized that many months of preliminary work are required by local communities to develop an urban-renewal

project. In order to undertake such time-consuming activities, local communities need the assurance that capital-grant funds are authorized and will be available when needed.

Under existing law, not more than 10 percent of the total title I capital grants authorized may be expended in any one State, except that an additional $35 million may be allocated for use in States where more than two-thirds of the amounts they could otherwise receive have been legally obligated. The provisions of the bill would increase this cushion from $35 million to $70 million. Information has come to us that this increase is necessary since the present limitation has been reached by several States.

The bill would also amend the Housing Act of 1949 so as to permit an urban renewal project in an area which is not predominantly residential in character to be developed for nonresidential purposes. Not more than 5 percent of the urban renewal funds allocated to the local public agency could be used for this purpose. The committee's attention was directed to the fact that there are many blighted open, or predominantly open, areas in cities which should be developed for industrial uses to conform to sound planning principles of the locality. We are, therefore, recommending that funds for this type of project be authorized without diverting funds from the types of projects now authorized under this program. The committee, therefore, has made a proportionate increase in its recommendations for an additional capital grant authorization of $25 million. As stated earlier, the total capital grant authorization provided in the bill is $525 million. This is $25 million above the amount which is determined to be necessary for the types of urban renewal projects now authorized.

PUBLIC HOUSING

The next sections of the bill relate to amendments to the Housing Act of 1949. It will be recalled that following extensive and thorough studies and hearings by this committee and by other committees of the Congress, the Housing Act of 1949 was enacted. This act authorized a program of financial assistance for 810,000 low-rent public housing units to be built, owned and operated by local public bodies. A limit of 135,000 dwelling units a year was provided for in this act with an escalator clause. Since its enactment, however, further crippling limitations have been imposed on the program which, in effect, continue it on a year-to-year basis and for a reduced number of units each year. The current authorization of contracts for 35,000 units expires on June 30 of this year.

The committee, during its hearings, heard testimony which indicates clearly that the annual rate of 35,000 is completely unrealistic in terms of the need. I can recall testimony to the effect that in one city alone the total need for such units amounted to more than 70,000 units. Furthermore, those provisions of existing law which restrict additional public housing units to the number of families displaced by slum clearance and urban renewal or other governmental actions unnecessarily restrict this program and should be repealed. Repeal of these restrictions is necessary if we are to meet the needs of other low-income families, including first, those who leave the slums of their own initiative without being forced out as a result of governmental action; or second, those who are displaced by private enterprise which is clearing slum sites on its own initiative; and third, those who are displaced as a result of fire or other catastrophe.

The committee has included in the bill provisions which would authorize the low rent program to go forward at the rate originally contemplated in the Housing Act of 1949. The limitations contained in the Housing Act of 1954 would be repealed. The Public Housing Administration would be authorized to enter into new contracts for annual contributions up to 135,000 additional dwelling units during any fiscal year until the original 810,000-unit authorization was exhausted. We have also provided that the unused amount of authorization now in effect for 1955 shall be preserved and added to this new authorization.

The bill would also provide for increasing from 10 percent to 15 percent the total amount of annual contributions or grants which can be expended for low-rent public housing in any one State. We have found that in the case of some States a 10-percent limitation is too restrictive.

HOUSING FOR ELDERLY FAMILIES AND SINGLE PERSONS OF LOW INCOME

The committee's attention was called to the increasing need for housing by elderly persons of low income. We believe that this need and the special problems of low-income elderly persons deserve recognition in the Federal assistance programs immediately. We also believe the facilities of the low-rent housing program afford a very convenient and desirable vehicle for helping to meet a part of the housing needs of these families.

The bill provides that single persons 65 years of age or over shall be eligible for admission to low-rent housing projects. The bill also gives these persons a preference, second only to that of families displaced by governmental action, but limiting such preference to 10 percent of the estimated number of families to be admitted to the low-rent housing of the particular local public housing agency involved. The bill would also authorize the Commissioner to waive the requirement that such families must either come from unsafe, unsanitary, or overcrowded dwellings or have been displaced by urban renewal or other governmental action. Not to exceed 10,000 dwelling units in each of the next 5 fiscal years are authorized to be built.

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

Mr. SPARKMAN. I yield briefly.

Mr. SALTONSTALL. Are the 10,000 units included in the 35,000?

Mr. SPARKMAN. No; they are additional; they are not included in the 35,000.

The bill would also enable the reconstruction or remodeling of existing public-housing projects by local public-housing authority so that they may be designed in whole or in part for occupancy by elderly persons.

AMENDMENTS TO LANHAM ACT

The committee has also included in the bill two amendments to section 607 of the Lanham Act, which contains the general authority for the disposition of permanent war housing, including all property, real or personal, acquired for and held in connection therewith.

The first amendment would give former owners of property being disposed of under that section first preference in repurchasing such property from the Government, under such conditions as may be determined in the public interest.

The second amendment would apply only to "Project Indiana—12021 (Southmore Heights)" and would waive any downpayment requirement involved in the sale of this project to a tenants' cooperative.

HOME-LOAN BANK BOARD

The next several sections of the bill would make changes in the law being administered by the Home Loan Bank Board. Most of these amendments were proposed by the administration and are relatively minor in nature. They would remove problems which have produced unnecessary burdens on savings and loan institutions which are supervised by the Home Loan Bank Board. These amendments are:

First. Reduction of the capital stock of the Federal home-loan banks;

Second. Authority of the board to terminate membership in the bank system;

Third. Increase the number of elective directors of the Federal home-loan banks in districts that are large and which contain five or more States;

Fourth. A clarification with regard to title I insurance; and

Fifth. A clarification and definition with regard to the admission into the FSLIC and the fee that would be charged.

However, the committee has included in the bill several additional amendments which were suggested during our hearings.

The first amendment would make the Home Loan Bank Board an independent agency. The committee believes that since the Board is essentially a regulatory agency and exercises administrative, legislative, and judicial powers somewhat analogous to those performed by the Federal Reserve Board, it should not be subject to the authority of the Administrator of HHFA to transfer funds and functions to other agencies within his jurisdiction. Most, if not all, comparable regulatory agencies have independent status, reporting directly to the Congress and to the President. Furthermore, the Federal Home Loan Board system is a mutual institution owned entirely by its members. The majority of the committee believes the Home Loan Bank Board should be reinvested with the independence it had from its creation in 1932 to 1939, when it was made a part of the then Federal Loan Agency.

RETIREMENT OF FSLIC STOCK HELD BY GOVERNMENT

The other amendment which the committee has included in the bill relates to the retirement of FSLIC stock held by the Government. The amendment provides that within 60 days after enactment of the bill the Corporation shall retire all of its capital stock—amounting to about $66 million—by paying the par value of the stock to the Treasury, in addition to dividends accruing since the end of fiscal year 1954.

In order to obtain funds for the retirement of the stock, the Corporation would, promptly after the enactment of the bill, issue its debentures to the Federal home-loan banks in a face amount equal to the par value of the Treasury stock to be retired. The Federal home-loan banks would each purchase debentures in proportion to the amounts of their own outstanding stock. The debentures would bear interest at a rate determined by the FSLIC, after consultation with the Secretary of the Treasury. These debentures would be retired by increasing the annual premium rate charged by the FSLIC from one-twelfth to one-eighth of 1 percent. After payment of the debentures the premium rate would automatically revert to one-twelfth of 1 percent.

The Committee considered several alternative proposals for retiring the stock held by the Government in the FSLIC. The one adopted appeared to be most suitable for accomplishing the purpose without weakening the reserve position of either the FSLIC or the insured institutions.

COMMUNITY FACILITIES ADMINISTRATION

The bill would modify and extend the third public works advance planning program authorized by the Housing Act of 1954 by authorizing $38 million in appropriations over the next 3 years. The funds so authorized would constitute a revolving fund.

TITLE II. PUBLIC FACILITY LOANS

The primary purpose of this title is to assist, wherever possible, States and their political subdivisions, with preference to small municipalities, in providing sewage, water, and other necessary public facilities essential to the health and welfare of their people. The program would be administered under the supervision of the Community Facilities Commissioner of the Housing and Home Finance Agency. Restrictions are placed upon municipalities desiring assistance under this program to those that are unable to secure such financing on reasonable terms, and loans must be of such sound value as to give reasonable assurance of retirement or payment. The loan maturities are limited to 40 years and a priority is given to applications from small municipalities with populations of less than 10,000.

HHFA would be authorized to issue to the Secretary of the Treasury notes and other obligations not exceeding $100 million at any one time.

TITLE III. COLLEGE HOUSING

Title III of this bill is intended to renew and invigorate the program inaugurated by the Housing Act of 1950, which inaugurated a program of long-term loans at low interest rates to provide funds for the construction of dormitories and residences.

The amendments under this title would expand the purpose of these loans to include such other revenue-producing educational facilities as cafeterias, dining halls, student centers, infirmaries, and other service facilities, but not including such items as gymnasiums or stadiums. This title also extends the program specifically to junior colleges and to educational or philanthropic institutions established for the sole purpose of providing housing or other educational facilities for students and faculty. The authorization for this program would be increased from $300 million to $500 million, and the amendment would fix the rate of interest which the Housing and Home Finance Agency pays to the Treasury at 2½ percent, or the average rate on all interest-bearing obligations of the United States, whichever is the higher. The provisions of the title would also require HHFA to charge colleges a rate of interest of 2¾ percent, or one-fourth of 1 percent more than that paid by HHFA to Treasury, whichever is the higher.

TITLE IV. ARMED SERVICES HOUSING MORTGAGE INSURANCE

Title IV of the bill would provide for a new and much-needed military housing program.

All witnesses appearing before the committee on the subject of military housing were unanimous in stating and in proving an extreme and immediate need for additional military housing. They made it quite clear that, to attract and hold the highly trained, experienced, and technical personnel now required by them, it is essential that military personnel be afforded an opportunity to live comfortable and normal lives, insofar as military duty permits, on a reasonable parity in terms of housing with the average American citizen.

Our national survival may depend upon our ability to attract and retain the highest caliber American men in the military service. Since it became quite clear to the committee from the testimony that the adequacy or the inadequacy of housing has a great influence upon the reenlistments of personnel, the committee believes it important to bring this proposal to the attention of the Senate.

The committee, after considering several proposals, concluded that the most practical approach for meeting the housing needs of the armed services would be to utilize the existing title VIII program, amending it so as to make it more workable.

This title of the bill would authorize the Secretary of Defense to enter into contracts with builders for the construction of housing for armed services personnel on lands owned or leased by the United States and situated on or near military installations. Contracts would be awarded to builders who submit the lowest acceptable bids on the basis of FHA-approved plans and specifications. The builder would finance the construction of the housing through mortgage borrowings insured by the FHA. After construction of the housing the Secretary of Defense would assume responsibility for the obligation of the mortgage, and for management and operation of the housing and would assign personnel to such housing in the same manner as other public quarters. The aggregate amount of contingent liability outstanding at any one time would be limited to $1,350,000,000. The duration of the program is for 3 years and the Federal National Mortgage Association would be authorized to provide a secondary market for the mortgages.

TITLE V. SMOKE ELIMINATION AND AIR POLLUTION

Title V of the bill would add to the National Housing Act a new title X, to develop means to eliminate pollution of the air by smoke, fumes and gases.

The Secretary of Health, Education, and Welfare would be authorized to undertake a research program to determine the causes and effects of air pollution, to develop devices and industrial methods for preventing and eliminating air pollution, and to provide guidance and assistance to States and local communities to prevent and control air pollution. The Secretary is authorized to enter into research contracts with, or make research grants to, State and local public agencies, and educational institutions, and to enter into arrangements with industries and private organizations for cooperative studies. Research results are to be made fully available to the public.

The Administrator of the Housing and Home Finance Agency would be authorized to provide financial assistance to business enterprises to purchase or construct equipment to reduce the amount of air pollution in the area.

The financial assistance under the program would not be available unless assistance is not otherwise available on reasonable terms and unless there is in existence an effective community program for controlling air pollution. This bill contains no limit as to funds which can be expended. Control over the program will be exercised through annual appropriations.

TITLE VI. FARM HOUSING

The committee had under consideration several proposals to extend and amend the farm housing program established under title V of the Housing Act of 1949. The committee unanimously recommended extension of the existing program which has done so much to enable thousands of farm families to obtain decent housing.

The bill as reported would provide an additional $100 million for farm loans authorized to be made on adequate farms, an additional $2 million to permit the payment of annual contributions made in connection with loans on potentially adequate farms, and an additional $10 million for special grants and loans required to make farm housing safe and sanitary.

The new provisions also include a new insuring authority. This provision was suggested by the Farmers' Home Administration. The interest rate on insured loans would not exceed 4½ percent, so as to be consistent with the VA program for home loans under which both insured and direct loans may be

made and under which the interest rates are also 4½ percent.

Under the farm loan program of title V of the National Housing Act of 1949, some 19,000 loans have been made for a total of $97 million. These loans are only a fraction of the demand. Many more applications were made but could not be approved because of the insufficiency of appropriations.

Unfortunately the farm housing program has not been operative since June 30, 1954, because of lack of appropriated funds. The need for the program, however, is still great, particularly in view of the continued deterioration in the farm situation as compared with that of other segments of the economy. This is especially true of the small or family-size farmer. I am confident that the record will show that by far the greater percentage of farmers who have received assistance under the farm-housing program are small or family-size farmers.

A further need for the reactivation of this program is evidenced by the increase in the number of loans made under the Bankhead-Jones Act during the same period. Unfortunately, the Bankhead-Jones Act does not provide the full coverage of title V, and thus, in order to have a well-rounded farm housing program, it is essential that the program recommended by the committee be continued and made operative.

From the standpoint of economic soundness, the record of title V farm loan program is exceedingly good. As of December 31, 1954, the regular payments as a percentage of scheduled installments on these loans were 105.6 percent. There have been very, very few foreclosures under the program. All in all, the program has enjoyed one of the best repayment records of any program ever established, either in or outside the Government.

Mr. President, this concludes my explanation of the bill. I am certain that as the debate progresses on the various titles of the bill, Members will raise questions on the various sections of it. I shall be glad to discuss any questions at any time during the debate.

I believe the committee has done a very good job on the bill, and I sincerely hope the Senate will approve it.

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

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. While I am not a member of the Committee on Banking and Currency, the late Senator Maybank and I, as members of the Committee on Appropriations, worked on the housing problem for a number of years. I know there is a difference of opinion about the number of public houses which should be built, but that subject will be debated later, so I will not ask the Senator any questions on it now. However, I wish to ask the Senator 2 or 3 questions on other phases of the bill.

As I understand, the bill seperates the Home Loan Bank Board, including the Federal Savings and Loan Insurance Corporation, from the Housing and Home Finance Agency, and sets it up as a separate, independent agency. I believe this is eactly contrary to what was done in the act of last year. I should appreciate having the Senator tell me why it was felt that that was necessary, and why is it not a good thing to have all the loan agencies under one head, so that he can report directly to the President on the overall situation, rather than to have the responsibility divided and separated in the hands of 2 or 3 agencies.

Mr. SPARKMAN. As a matter of fact, the Home Loan Bank Board was made a constituent agency by Reorganization Plan No. 3 of 1947. However, the connection between it and the Housing and Home Finance Agency is a rather tenuous one. It is nothing like the regular constituent agency of the Housing and Home Finance Agency at all.

I understand that probably an amendment will be offered in connection with this matter later, and at that time I shall be able to debate the question rather fully.

The situation is that the home-loan banks originally were made possible by the underwriting of their stock by the Federal Government, the idea being that they would gradually retire their stock. All of the stock has now been retired except about $66 million, and the home-loan banks are ready, able, and willing to retire that amount now, and provision for this is made in the bill.

If the stock is retired, why should not the Federal home loan banks have the same status as the Federal Deposit Insurance Corporation and the Federal Reserve System, which operate in the same manner? That is what is being provided for by the bill.

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

Mr. SALTONSTALL. Will the minority leader yield time to me, so that I may complete my questions?

Mr. KNOWLAND. I yield 5 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. Is the principle behind the proposal with respect to the separation of the Home Loan Bank Board that the Board is shortly to be completely independent of the Federal Government, and therefore should be put in the same position as the Federal Deposit Insurance Corporation and other agencies of that type?

Mr. SPARKMAN. Yes; that is true. I wish to stress also the point that the connection between the Home Loan Bank Board and the Housing and Home Finance Agency is not similar to the connection between the Federal Housing Administration and the Housing and Home Finance Agency at all. It is a very slender thread which ties them together now. Certainly the Home Loan Bank Board ought to have its independent status, just as the FDIC, the Federal Reserve Board, and other agencies were made independent when they paid off their stock.

This is essentially a regulatory agency. If the Senator will refer to page 12 of the report, I believe he will find a pretty fair statement of the situation. The statement begins at the bottom of page 11, and I believe is an understandable explanation of why independence of the Board is urged.

Mr. SALTONSTALL. The bill creates a new public-facility loan program, does it not?

Mr. SPARKMAN. It really extends the one which is now in the law, but which has been ineffective. The Senator may recall that there was such a program under the RFC. When the RFC was discontinued, Congress designated certain functions which ought to be continued, and this was one of them. However, Congress did not designate an agency to handle those functions, but left the matter to the President. The President never designated an agency.

Last year, in the Housing Act, Congress designated the Housing and Home Finance Agency to handle these affairs, but unfortunately no funds were made available and nothing was done about it.

All that is done in the bill is to reactivate the program and make provision whereby it will actually function.

Mr. SALTONSTALL. I have been informed that under the new program the Committee on Appropriations will be bypassed, because borrowings will be made from the Treasury to the extent that $100 million may be outstanding at any time. If it is intended to bypass the Committee on Appropriations, is not that the same plan which was opposed so effectively by the senior Senator from Virgina [Mr. BYRD] with respect to the highway program?

Mr. SPARKMAN. No; because in this case the money will come from the Treasury and will, therefore, affect the national debt. It will be the same as if the funds were appropriated by Congress, except that what will be authorized will be the borrowing of money directly from the Treasury, as is done in several other instances or operations.

Mr. SALTONSTALL. Then will any money borrowed under the program be chargeable directly to the national debt?

Mr. SPARKMAN. It will be chargeable against the national debt. That is the principal difference between this proposal and the one which was objected to in connection with the highway bill.

Mr. SALTONSTALL. How will the Committee on Appropriations come into the picture? Will it be in connection with financing the national debt, or in some other way? In other words, how will Congress be able to control the amount of money which will be borrowed? As I see it, Congress will have no control.

Mr. SPARKMAN. Congress can amend the act at any time. However, I think the Senator will agree with me that $100 million stretched over a period of time is not a great amount of money to have in a revolving fund of this type. This program is intended for the benefit of the smaller cities and towns of the United States, which are not able to go into the securities market, because it is simply not feasible for them to borrow money in that way.

Mr. SALTONSTALL. I am in favor of military housing. I believe it is necessary for the Government to provide more military housing if we are to make it possible for the men in the armed services to live with their families and to serve well.

It has been called to my attention that in the military housing part of the program the Secretary of Defense will have the final decision over the Federal Housing Administration; but that when the Secretary makes the decision, the administration of the program will revert to the Federal Housing Administrator.

Mr. SPARKMAN. As to matters of insurance, that is correct.

The Secretary of Defense has final determination as to need; but if he overrides an adverse decision of the FHA he will be responsible for repaying FHA for any losses incurred on a particular mortgage. The administration of insurance, of course, as it applies to military housing, remains with the FHA. The administration of the housing, i. e., operation and management, debt payment, etc., will remain with the Department of Defense.

Mr. SALTONSTALL. The Secretary of Defense then loses control.

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

Mr. SALTONSTALL. As the acting minority leader, I yield myself 3 additional minutes.

The Secretary of Defense will make the final decision but, as I understand, the entire question of administration will be left to the Housing Administrator. Is that correct?

Mr. SPARKMAN. Yes; because it must be realized that the building will be under the insurance plan.

The committee felt that the experience and background which the FHA had should be utilized. Furthermore, banks, insurance companies, and investment companies will buy mortgages if the FHA handles the insurance, whereas such a procedure probably could not be counted on under any other plan.

Mr. SALTONSTALL. I personally would be in favor of having the Secretary of Defense handle the program.

Mr. SPARKMAN. I believe the committee has worked out the best plan possible, although we hope that before the program is finally adopted it may be further perfected.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

Is the Senator from Oklahoma ready to call up his amendment?

Mr. MONRONEY. Mr. President, I would rather call up my amendment when the Senator from Indiana [Mr. CAPEHART] is present in the chamber.

Mr. JOHNSON of Texas. Mr. President, is the Senator from Vermont ready to offer his amendment?

Mr. FLANDERS. Mr. President, I am ready. I send my amendment to the desk and ask to have it stated.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 13, line 9, before the period, it is proposed to insert a comma, and the following:

Provided further, That (subject to the authorization of not to exceed 810,000 dwelling units) the number of additional dwelling units which may be commenced under this subsection during any fiscal year may be increased at any time or times by additional amounts aggregating not more than 65,000 dwelling units, or may be decreased at any time or times by amounts aggregating not more than 85,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest.

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized.

Mr. FLANDERS. Mr. President, the purpose of the amendment is to introduce flexibility into the public housing construction program, so that it may act as a stabilizer of the economy by providing more Government expenditures, for instance, when the building trades are in the doldrums, and by reducing the expenditures when the building trades are fully occupied.

There might well be times when it would be inexpedient to require new housing, especially if the building industry were already operating at capacity. That might do nothing more than inflate the costs of building by increasing the demand for nonexistent labor and by raising the price of materials. On the other hand, there might be times when, by increasing the volume of public housing, a distressed building industry could be greatly strengthened.

The amendment is not new to the law. It is not new to the original Taft-Ellender-Wagner housing law. It is still to be found in the law, in section 10 (e), but the way in which the provision on page 13 of the bill now before the Senate reads casts doubt on the question as to whether this flexible provision is made applicable.

Beginning at the top of page 13, I read:

Notwithstanding any other provisions of law—

That would seem to refer to the preceding section 10 (e)—

(i) Notwithstanding any other provisions of law, the Authority shall not enter into any new contracts for loans or annual contributions for more than 135,000 additional dwelling units during any fiscal year: *Provided*, That in respect to the fiscal year 1956 such number shall be increased by the difference between 35,000 and the number of units for which new annual contribution contracts for additional units were entered into during the fiscal year 1955.

Mr. President, my amendment adds the further proviso "That (subject to the authorization of not to exceed 810,000 dwelling units) the number of additional dwelling units * * * may be increased * * * by additional amounts aggregating not more than 65,000 dwelling units, or may be decreased at any time or times by amounts aggregating not more than 85,000 dwelling units, upon a determination by the President," under the advice of the Council of Economic Advisers.

I believe that this is an exceedingly important feature of the original bill. I believe it should be retained clearly, unequivocally, and without doubt in the new bill, and I offer my amendment for that purpose.

Mr. CAPEHART. Mr. President——

Mr. JOHNSON of Texas. Mr. President, does the Senator from Indiana desire to speak in opposition to the amendment?

Mr. CAPEHART. Yes. I shall take only a few minutes.

Mr. JOHNSON of Texas. I yield such time to the Senator from Indiana as he may desire.

Mr. CAPEHART. Mr. President, I feel that at least I myself will have to oppose the amendment, because I shall offer an amendment a little later to reduce the amount to 70,000 units in 2 years, or 35,000 units each year, which is the program of the President of the United States. That was his recommendation, the recommendation of his Council, and of our committee, which studied the matter.

Even with 70,000 units to be built during the next 2 years, at the rate of 35,000 units a year, we are still providing for construction of 50,000 units for elderly people, at the rate of 10,000 a year, which means a total of 120,000 public housing units to be authorized by the bill, 90,000 of them to be built in the next 2 years, and 30,000 of them in 2 or 3 years following that.

I do not see anything to be gained by accepting the amendment. The matter was pretty well thought out in the committee, about half of the committee favoring 35,000 units and the other half wanting the number provided by the 1949 law.

I shall not place certain information in the RECORD at this time, but will do so later. However, I may say since public housing became a part of our governmental procedure in the United States in 1937, there have been built only about an average of 20,000 public-housing units a year. Even counting the units built since 1949, when the big public-housing act was enacted, there have been built a total of 200,000 units in 5 years, or less than 40,000 units a year.

When we talk about 35,000 units, plus 10,000 units for elderly people, that makes 45,000 units. This bill also authorizes 100,000 public-housing units for the Military Establishment. In other words, it authorizes the military to build in the next 12 months 100,000 units to be used by married personnel in the Military Establishment. When that number of units is added to 45,000, the total figure is 145,000 units.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Indiana yield to the Senator from Illinois?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Can the military housing program be described as public housing? Is that program under FHA?

Mr. CAPEHART. It is public in the sense that the houses will be rented to military personnel and owned by the Government.

Mr. DOUGLAS. Will not the loan capital be furnished by private lending agencies?

Mr. CAPEHART. It will be furnished exactly as it is for public housing. In the case of public housing, mortgages are

sold, and the FHA guarantees the loans. The financing is exactly the same in both instances—for military housing and public housing.

Mr. DOUGLAS. Then why did not the Senator from Indiana, in his original bill concerning military housing, provide for direct construction? Instead of that, he provided for FHA financing.

Mr. CAPEHART. I presume that was for the same reason that, since 1937, public housing has been handled by the mortgage route. I presume we wished to be consistent, and to finance military housing in the same manner all other housing in the United States is financed, namely, by FHA-guaranteed mortgages, permitting private persons to purchase the mortgages under the FHA insurance plan. Under that plan, premiums are paid into the FHA's insurance fund; and so far, of course, the premiums have been greater than the losses.

Mr. LEHMAN. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. LEHMAN. I wonder whether the Senator from Indiana can explain a little more clearly what connection there is between military housing and the public housing for which the bill provides. Is it not a fact that the occupancy of military housing is not at all dependent upon the income of those who will use the houses, because they will be used by generals as well as by privates?

Mr. CAPEHART. Yes. I may say to the able Senator from New York that the only connection is that the military need approximately 300,000 units, to house the married personnel, which includes all ranks from privates up to generals. This bill authorizes the construction in the next year of approximately 100,000 of those units. There is not too much connection between public housing and military housing, except that this year's program for the construction of military housing contemplates that an additional 100,000 units will be completed in the United States for the use of the military. The Government will own the houses, and will lease them to the military personnel.

In the case of public housing, units are built and are rented to persons of low income, and the rentals they pay are not sufficient to amortize the mortgages. Therefore, the Federal Government makes up the difference, by means of direct appropriations. But, of course, in the case of military housing the rentals are more than sufficient to amortize the 30-year mortgages.

Mr. LEHMAN. Mr. President, will the Senator from Indiana yield further to me?

Mr. CAPEHART. I yield.

Mr. LEHMAN. As the Senator from Indiana knows, I was strongly in favor, and I am still strongly in favor, of the program for the construction of housing for military personnel, because I believe we have been very indifferent to the needs of our military services, both in the United States and abroad. So I am very happy we are going to care for the needs of the military.

However, I fail to see that there is any connection between military housing and public housing, because, as a matter of fact, the rental of the housing constructed for the members of the armed services is paid by means of deductions from the allowances made by the Government to them, regardless of whether the personnel concerned consist of privates, of noncommissioned officers, of junior officers, or of generals; it is not at all dependent on the financial means of the military personnel occupying the houses.

Mr. CAPEHART. I think the Senator from New York is correct. Under the housing program for the military there will be 100,000 housing units, in addition to the 35,000 new housing units constructed by private contractors for the use of civilian persons of low incomes, plus the 10,000 housing units for elderly persons. I believe the best argument for the construction of 35,000 housing units for persons of low incomes, plus the construction of 10,000 housing units for elderly persons, is that at no time during the life of public housing have we come anywhere near to approaching the construction of 45,000 housing units, on the average, in any 1 year.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I understand that later the Senator from Indiana will offer his own amendment which relates to this subject.

Mr. CAPEHART. Yes.

Mr. SPARKMAN. However, I understand that the Flanders amendment is really a perfecting amendment to the bill as reported by the committee. It seems to me that the Flanders amendment should be noncontroversial, because it simply reinstates the old flexible clause. As a matter of fact, I think in any event the President could proceed in that way by means of his recommendations, and by working through the Bureau of the Budget.

The amendment of the Senator from Vermont will provide a flexible arrangement, so that the President will be able either to decrease or increase the number of units as was possible under the old law.

Mr. CAPEHART. Let me say that if there are in the Senate sufficient votes to keep the bill in the form in which it is now written, then the amendment of the Senator from Vermont certainly is desirable; there can be no question about that.

Mr. SPARKMAN. This is my point. In other words, the Flanders amendment is simply a perfecting amendment.

Mr. CAPEHART. Mr. President, personally I am opposed to the amendment, and the President of the United States is opposed to it, because he is advocating 35,000 units, rather than the number now provided in the bill.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield further to me?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. Of course, I understand that, as I think all of us clearly understand it. But agreeing to this amendment will not change that situation in any respect. The Flanders amendment simply will perfect the language which is contained in the bill for the time being, and will not affect at all the amendment the Senator from Indiana has in mind. So it seems to me the Senate should accept the Flanders amendment, and then should move on to consider other amendments.

Mr. CAPEHART. Then is it the opinion of the able junior Senator from Alabama, the chairman of the subcommittee, that we might well accept the Flanders amendment?

Mr. SPARKMAN. Yes; and then we can move on, because in the end the question will have to be decided.

Mr. CAPEHART. I understand that our acceptance of the Flanders amendment will have no effect on the question of whether there will be 35,000 units or 135,000 units.

Mr. SPARKMAN. That is correct; this amendment has nothing at all to do with that question. This amendment affects only the language now in the bill. The amendment of the Senator from Indiana will be before us later on.

Mr. CAPEHART. The language of this amendment would permit the President to reduce the number, would it not?

Mr. SPARKMAN. Yes; in the event the amendment became the law.

Mr. CAPEHART. It would permit the President to reduce the number of units under a flexible arrangement.

Mr. SPARKMAN. That is correct.

Mr. LEHMAN. Mr. President, will the Senator from Indiana yield further to me?

Mr. CAPEHART. I yield.

Mr. LEHMAN. Regardless of whether the Flanders amendment is advisable—and I am not necessarily opposed to it—I wish to correct an impression the Senator from Indiana has inadvertently, perhaps, given, namely, that military housing is the same as public housing. I do not agree.

Mr. CAPEHART. I shall help straighten out that point. It may not be the same; but the bill provides an additional 100,000 units of military housing, which will be built in the next few months.

Mr. LEHMAN. The Senator from Indiana speaks of 100,000 units for the military alone. Yet he wants the entire remainder of the population, consisting in great part of persons of very low incomes, to have as few as 35,000 units. That does not seem to be logical.

Mr. CAPEHART. Let me say that I am opposed to public housing in any number of units, because in my State it is not needed; and in every instance, I believe, the people of my State have voted it down. However, I realize there is need in certain sections of the United States for a limited number of public housing units.

For that reason, I would go along with the provision for 35,000 public-housing units, plus the 10,000 units for elderly persons, although in my opinion even that number will be too many, and will be more than will be constructed in any one year.

I wish the RECORD to show that personally I am opposed to public housing, and I do not think it is needed. It is

not needed in my State, and my State likewise is opposed to it. But I am sufficiently broadminded to realize that in certain sections of the United States, such as New York, Chicago, and other large cities, some public housing is needed. For that reason, I shall go along with the proposal for 45,000 units a year, as advocated and recommended by the President.

Mr. President, if it is agreeable to the able junior Senator from Alabama [Mr. SPARKMAN], the floor manager of the bill, perhaps the Flanders amendment can be accepted. We have no objection to accepting it.

Mr. SPARKMAN. Yes; I think that will be perfectly agreeable.

Mr. FLANDERS. Mr. President, I judge that the amendment still must be voted on. So I call for a vote on the amendment.

The PRESIDING OFFICER. The Senator from Vermont is correct.

Does the Senator from Texas yield back the remainder of the time under his control?

Mr. JOHNSON of Texas. Very well, Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Vermont yield back the remainder of the time under his control?

Mr. FLANDERS. I do.

The PRESIDING OFFICER. All available time has been yielded back.

The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. FLANDERS].

The amendment was agreed to.

VISIT TO THE SENATE BY REPRESENTATIVES OF MORAL REARMAMENT

Mr. CAPEHART. Mr. President, I should like to introduce to the Senate some very distinguished gentlemen who now are sitting in the gallery. Let me present Dr. Theodore Oberlander, the Minister of Refugees for Germany; Mr. Ole Bjorn Kraft, former Foreign Minister of Denmark; Mr. Diomede Catroux, former French Minister for Air; Mr. Ole Olsen, of Olsen and Johnson; Mr. Stewart Lancaster, of Louisville, Ky.; and Mr. John Cotton Wood, of New York.

These gentlemen are members of the Moral Rearmament organization, and are in Washington in its behalf. Tonight, at the National Theater, a play entitled "The Vanishing Island" is to be presented, and will be repeated on tomorrow evening. Thereafter, these gentlemen will tour Japan, the Far East, and Europe.

Inasmuch as many of our colleagues are very much interested in the Moral Rearmament movement, I take pleasure in introducing these gentlemen to the Senate. I ask them to rise, so that they may be identified by Senators. [Applause.]

The PRESIDING OFFICER. The Chair thanks the distinguished Senator from Indiana for introducing these distinguished visitors to the Senate. The Chair assures them that they are welcome here; we are very glad to have them visit us.

HOUSING ACT OF 1955

The Senate resumed the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

Mr. MONRONEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. On page 35, line 2, it is proposed to strike the words "entered into after" and insert in lieu thereof the following: "under which loan funds have not been fully disbursed prior to."

Mr. MONRONEY. Mr. President, this is a very simple clarifying amendment designed to provide for uniformity in the interest rates with respect to the college housing loan amendments in the bill.

As the committee has explained, the interest rate on college housing loans will be reduced, under the terms of the bill, from 3½ percent to 2¾ percent. In the interest of uniformity, my amendment would make the new interest rate apply at the time the money is disbursed. Unless this amendment is adopted, there will be several varying degrees of interest rates being charged, because loan applications of various colleges have been taken over a period of a good many months. I think the uniform interest rate of 2¾ percent, applying at the time the money is paid out, will provide a rather sound basis on which to work.

I understand that the chairman of the subcommittee is agreeable to accepting this amendment.

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

Mr. MONRONEY. I yield.

Mr. SPARKMAN. I am certainly willing to accept the amendment.

Mr. MONRONEY. I discussed the amendment also with the distinguished ranking minority member [Mr. CAPEHART].

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

Mr. MONRONEY. I yield.

Mr. CAPEHART. I am willing to accept the amendment and have it taken to conference, with the understanding that we may have to take a good look at it in conference.

Mr. MONRONEY. My amendment provides for uniformity in interest charges on these loans.

Mr. CAPEHART. I think it is something we can take to conference.

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

Mr. MONRONEY. I yield.

Mr. CARLSON. I should like to ask the distinguished Senator from Oklahoma, who is a member of the committee, about the expansion of housing for colleges. What is the program in the pending bill?

Mr. MONRONEY. Expansion is provided for. The loan ceiling is increased from $300 million to $500 million, with an additional $100 million ceiling for other educational facilities. As I have stated, the interest rate is reduced. It is provided that the interest rate will always be one-quarter of one percent higher than the rate which HHFA pays to the Treasury. No loans under this program may be made on construction completed prior to the filing of applications under the provisions of the act. It includes other educational facilities, within the definition of the term "development costs."

Mr. CARLSON. I think the committee has rendered a real service to our colleges and universities by making provision for additional housing. I think the demand exists. We are taking care of a situation in which, in my opinion, there will be greater and greater demand. The number of married students in our schools in future years will increase. I think the committee should be commended.

Mr. MONRONEY. I think the committee has done a very excellent job.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, it seems to me that the amendment which the Senator from Oklahoma proposes is meritorious, if I correctly understand its application, but I am wondering whether it is sufficiently broad to take care of institutions which have made application for loans, and with respect to which the funds have perhaps been advanced, but construction has not been completed. One instance comes to my mind, of an institution which found that the difference in the interest rate as between a certain month and the succeeding month was either an eighth or a quarter of 1 percent. If the loan had been approved a few days later, it would have carried a lower rate of interest. The institution did not use the money at the date upon which it received its first funds. Would the language proposed take care of institutions which may have received the money, but have not actually expended it?

Mr. MONRONEY. I will say to the distinguished Senator from South Dakota that the amendment would enable the Housing and Home Finance Agency to allow the low interest rate with respect to all funds which have not been disbursed by the agency. On the money already paid out by the agency to the educational institution, it is obviously impossible to figure the new interest rate. With respect to all money which has not been disbursed on loans which have been previously approved, and on which some disbursement has taken place, and with respect to all future disbursements after the passage of the act, they will be at the new low interest rate.

Mr. CASE of South Dakota. I am not sure that this amendment would correct certain inequities which I feel exist under the present law. If the amendment goes to conference, it seems to me that it will be possible for the conferees to modify the language in conference. I am glad to see it go to conference. I

hope the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from Indiana [Mr. CAPEHART] will be receptive to any information which I can obtain on the situation to which I have referred.

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

Mr. MONRONEY. I yield.

Mr. SPARKMAN. I should like to add to what the Senator from Oklahoma has said something which he has perhaps overlooked in his remarks.

The amendment which he proposes would not only take care of the lower interest rate on undisbursed funds, but would also enable the agency to negotiate for settlement with respect to all the funds involving a particular contract, even though a part of them had already been disbursed.

Let me say to the able Senator from South Dakota that when the Senator from Oklahoma spoke to me on this subject I immediately raised a question similar to that which the Senator from South Dakota has mentioned. I realize that there may be other angles. I suggested to the Senator from Oklahoma that the amendment might require some modification between this time and the conclusion of the conference. It may very well be that some further formula can be devised which will be fair to all concerned.

Mr. CASE of South Dakota. I thank the Senator for his statement.

The PRESIDING OFFICER. Does the Senator from Texas yield back the remainder of his time?

Mr. JOHNSON of Texas. I yield back the remainder of my time, on condition that the Senator from Oklahoma [Mr. MONRONEY] also yield back the remainder of his time.

Mr. MONRONEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been used or yielded back. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUSH. Mr. President, I send to the desk two amendments to the pending bill, and ask that they lie on the table.

The PRESIDING OFFICER. The amendments will lie on the table.

Mr. CAPEHART. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. On page 12, it is proposed to strike out subsections (a), (b), and (c) of section 108 and insert in lieu thereof the following:

(a) The United States Housing Act of 1937, as amended, is hereby amended by deleting section 10 (i) and inserting the following:

"(i) Notwithstanding the provisions of any other law, the Authority may, with respect to low-rent housing initiated after March 1, 1949, enter into new contracts for loans and annual contributions after July 1, 1954, for not to exceed 35,000 additional dwelling units, which amount shall be increased by 35,000 additional dwelling units on July 1 of the years 1955 and 1956, and may enter into such new contracts for preliminary loans in respect thereto as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder: *Provided*, That the authority to enter into new contracts for loans and annual contributions with respect to each such 35,000 additional dwelling units shall terminate 2 years after the first date on which such authority may be exercised under the foregoing provisions of this subsection: *Provided further*, That no such new contract for annual contributions for additional units shall be entered into except with respect to low-rent housing for a locality respecting which (1) the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as prescribed in section 101 (c) of the Housing Act of 1949, as amended, or (2) there is being carried out a project covered by a Federal aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954: *Provided further*, That no such new contract for annual contributions for additional units shall be entered into unless the governing body of the locality has, by resolution, approved such additional units: *And provided further*, That no such new contract for annual contributions for additional units shall be entered into unless the number of such additional units does not exceed the number of families of low income, eligible for admission to such units, which the Housing and Home Finance Administrator estimates will be displaced within the metropolitan or housing market area of such locality as a result of Federal, State, or local governmental action."

It is also proposed to reletter succeeding subsections.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and, on behalf of myself and the minority leader, I ask unanimous consent that the time taken for the quorum call be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The Secretary will call the roll.

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

Aiken	Frear	McClellan
Allott	Fulbright	McNamara
Anderson	George	Millikin
Barkley	Goldwater	Monroney
Barrett	Gore	Morse
Beall	Hayden	Mundt
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Payne
Bridges	Hruska	Purtell
Bush	Ives	Robertson
Butler	Jackson	Russell
Byrd	Jenner	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kennedy	Smith, Maine
Chavez	Kerr	Smith, N. J.
Cotton	Kilgore	Sparkman
Curtis	Knowland	Stennis
Daniel	Kuchel	Symington
Douglas	Langer	Thurmond
Duff	Lehman	Thye
Dworshak	Magnuson	Watkins
Eastland	Malone	Welker
Ellender	Mansfield	Wiley
Ervin	Martin, Pa.	Williams
Flanders	McCarthy	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I yield to the Senator from Maine [Mr. PAYNE].

Mr. PAYNE. Mr. President, I send to the desk an amendment to the amendment offered by the Senator from Indiana, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Maine to the amendment of the Senator from Indiana.

The CHIEF CLERK. In line 1 of Mr. CAPEHART's amendment, it is proposed to strike out "subsections (a), (b), and (c)" and insert in lieu thereof "subsection (c)."

On page 1, in line 3, strike out "(a)" and insert in lieu thereof "(c)."

On page 2 strike all that follows the word "subsection", appearing in line 12, as follows:

Provided further, That no such new contract for annual contributions for additional units shall be entered into except with respect to low-rent housing for a locality respecting which (1) the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as prescribed in section 101 (c) of the Housing Act of 1949, as amended, or (2) there is being carried out a project covered by a Federal aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of the Housing Act of 1949, as amended, before the eflective date of the Housing Act of 1954: *Provided further*, That no such new contract for annual contributions for additional units shall be entered into unless the governing body of the locality has, by resolution, approved such additional units: *And provided further*, That no such new contract for annual contributions for additional units shall be entered into unless the number of such additional units does not exceed the number of families of low income, eligible for admission to such units, which the Housing and Home Finance Administrator estimates will be displaced within the metropolitan or housing market area of such locality as a result of Federal, State, or local governmental action."

On page 3, strike out line 10.

Mr. CAPEHART. Mr. President, I should like to have the able Senator from Maine explain his modification of my amendment.

Mr. PAYNE. Mr. President, my amendment to the amendment offered by the Senator from Indiana would bring to a straight issue the question whether the Senate shall provide for 35,000 housing units, or 135,000 units, as recommended in the bill reported by the committee.

The amendment of the Senator from Indiana contains certain restrictive features which, in my opinion, would not permit the accomplishment of a sound public-housing program and one which could get under way. It is for that reason that I have offered my amendment. It would remove the restrictions and make the context of the bill comport with the 1949 law. Under the restrictions contained in the amendment of the Senator from Indiana, if an individual desires to leave a slum area he would not be eligible for public housing. If a person's property in a slum area were burned out and he came under the other criteria, he would not be eligible.

If private enterprise cleared out an area, the persons who were forced to

vacate would not come under the proviso with reference to displaced individuals.

I would simply remove the restrictions which are in the amendment, make it more in keeping with the provisions of the bill as reported by the committee, and bring the question down to a straight issue of 35,000 units as against 135,000 units.

Mr. CAPEHART. Mr. President, I accept the modification of my amendment. Whether we are for or against public housing makes no difference with respect to this amendment. If we are going to have public housing I think it is only fair that we should eliminate the restrictions. The restrictions which were written into the bill last year almost prohibited any public housing being constructed. In other words, Mr. President, there is no use passing a public-housing act and saying we want 35,000 units or 10,000 units or 1,000 units, and then writing restrictions which make it absolutely impossible to build any public housing. That, to my mind, is simply being hypocritical.

Mr. PAYNE. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. PAYNE. Is it not true that last year there was a 35,000-unit provision in the bill?

Mr. CAPEHART. That is correct.

Mr. PAYNE. Yet, actually, up to the time of the hearing, there were, as I recall, 115 starts?

Mr. CAPEHART. There were 142 starts.

Mr. PAYNE. Yes; 142 starts had been made.

Mr. CAPEHART. That was because of the restrictions. My point is, let us not be hypocritical and say we want 135,000 public-housing units. My State does not need any and does not want any, but we should not impose restrictions which would eliminate any public housing.

For that reason, Mr. President, I accept the modification of my amendment which has been suggested by the Senator from Maine.

I shall take only a few minutes in discussing my amendment. I allocate to myself 10 minutes, but I do not think I shall use all that time.

The amendment which is before the Senate, as it has just been modified by amendment of the able Senator from Maine, simply reduces the number of public-housing units provided for in the bill from 135,000 each year to 35,000, plus 10,000 provided for elderly people, making a total of 45,000.

In other words, if my amendment, as modified, shall be agreed to, the bill will call for 45,000 units each year, 35,000 units of straight public housing and 10,000 units for elderly persons, for a period of 2 years, making a total of 70,000 straight public-housing units; and then 50,000 public-housing units for elderly people under the 5-year program of 10,000 a year, which would make the number of public-housing units authorized by the bill 120,000, which would be built at the rate of 45,000 units each year. For a period of 2 years 90,000 units would be authorized. Then there would be 3 years in which 10,000 public-housing units could be built for elderly persons.

The recommendation of the President in his annual message was that provision be made for 35,000 public-housing units each year for 2 years, or a total of 70,000 units. The President did not say anything about public housing for elderly persons; that provision for 10,000 units was written into the bill by the committee, and makes the number 45,000 units as against 35,000 recommended by the President.

Here are the records and the facts. Since 1937 only 382,365 units have been completed and turned over for public-housing usage. That covers a period of about 18 years, during which an average of about 20,000 units a year were built. I shall cite the legislation under which the housing was constructed.

Under the Housing Act of 1949, 165,580 units were completed. Over a period of 6 years, an average of less than 30,000 public-housing units were completed annually.

Under the Housing Act of 1937, 117,141 units were built.

Under the Housing Act of 1940, which provided for public defense housing, houses built only for defense workers, 49,366 units were built, and at the end of the war these were turned over to the public-housing authorities for use by them.

For PWA—I am certain Senators remember PWA days—21,570 houses were built as public housing.

Under the Lanham Act, which was a 100-percent war measure for defense housing, 19,670 units were built, and turned over to public-housing authorities.

For farm-labor camps, back in the PWA or WPA days, 9,038 units were built and turned over for use by public-housing authorities.

That makes a total of 382,365 units completed for public-housing use since 1937.

Would it not be much better to have a sane, sound, workable program of 45,000 units each year, and actually build them, than to talk about 810,000 units or 135,000 units, and never build them?

The President's idea was to have 35,000 units built each year, and that was what he recommended. The committee added 10,000 units for elderly people, which makes a total of 45,000 units.

Would it not be much better to work under a sane, sound, practical, conservative policy, and actually to build 45,000 units a year, than to talk about 135,000 units, when it is known that they will not be built?

Is it not impractical to speak of constructing 810,000 units in a period of 5 years, when since 1937 only 382,000 units have been built? It should be remembered, too, that of the 382,000, 100,000 were houses built for defense purposes, and turned over later to public-housing authorities. So actually only 282,000 public-housing units have been built since 1937.

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

Mr. CAPEHART. I yield.

Mr. ELLENDER. Is it not true that although the bill provides for 810,000 units, from that number there must be deducted those which already have been built?

Mr. CAPEHART. Yes, and that brings the number down to approximately 600,000.

Mr. ELLENDER. My figures show that the units completed under the act aggregate 348,000; 34,000 are under construction, plus 42,000 under contract but not under construction. This makes a total of 424,000 units which have either been already built or are under contract.

So the amount of new housing under the bill will not be 810,000 units, but will be the difference between 810,000 and 424,000. Is that not true?

Mr. CAPEHART. No, I do not believe that is quite true. I think the Senator is referring to the 1949 act, under which 165,580 units have been completed, with another 59,775 authorized, or a total of 225,000.

If from 810,000 is deducted 225,000, the number still to be built is approximately 600,000.

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

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

Mr. ELLENDER. I was referring to the original act, of which I had the honor to be a sponsor.

Mr. CAPEHART. The original act was sponsored by the able senior Senator from Louisiana, the late Senator Taft, and the late Senator Wagner. That act called for 810,000 units. Since that time 165,580 units have been built, and 59,775 units have been authorized, a total of 225,355 units. By deducting 225,355 from 810,000, we arrive at the number of units called for in the bill which is now before the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield for a half minute, so that I may ask that the yeas and nays be ordered on the Capehart amendment?

Mr. CAPEHART. I yield.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the Capehart amendment.

The yeas and nays were ordered.

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

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I have some figures regarding the number of units actually built under the 1949 act. The able Senator from Louisiana included in his figures those built under the 1937 act. But under the 1949 act 247,700 units have been built.

Mr. CAPEHART. Those figures do not even begin to correspond with the figures which have been given me.

Mr. SPARKMAN. That leaves 562,300 still authorized. That is the real figure which would be included here. However, the amount of money authorized would provide for only 392,000. The bill as it is written provides for 392,000 units.

Mr. CAPEHART. In my State, it is felt that public housing is not needed. I

think in every instance the cities of Indiana have rejected it.

Mr. LEHMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. LEHMAN. As I have listened to the Senator from Indiana, I have received the impression that the main argument against the larger number of units, which the committee is advocating, is that in the past, almost in the dim past, only a relatively small number of houses were built. We talk about 19,000, 25,000, or 30,000 units a year.

All I can say is that I remember the time—and I probably remember it because I am so much older than the Senator from Indiana—when aged, needy people were taken care of in poorhouses. But we have got away from that.

I remember the time when there was no social security whatsoever, and no workmen's compensation at all.

Mr. CAPEHART. Mr. President, is the Senator from New York asking me a question?

Mr. LEHMAN. I shall be glad to ask a question.

Mr. CAPEHART. Does the Senator wish time in his own right?

Mr. LEHMAN. I shall be glad to reduce my comments to a question.

Mr. CAPEHART. I do not care; I simply want to be certain that the time is kept straight.

Mr. LEHMAN. I shall be glad to use my own time.

Mr. CAPEHART. I shall be happy to yield some of my time.

Mr. LEHMAN. No.

Mr. CAPEHART. I merely wish to be certain that the time is kept straight.

Mr. LEHMAN. I was shocked to hear what the Senator said.

Mr. CAPEHART. Do not be shocked, please.

Mr. LEHMAN. Ten or 15 years ago, when conditions were very different, and the conscience of the people had not been aroused, certain things were done in different ways from the manner in which they are done today.

However, I will withdraw my question.

Mr. CAPEHART. No; I think the situation is just the opposite. The Senator ought himself to be shocked inasmuch as evidently 3, 4, or 5 years ago there was more need for public housing than there is now, because during the past 10 years new houses have been built at the rate of more than a million a year. There must be less need for public housing today than there was in 1949.

I have only used the figures as a matter of record in order to be factual, and simply to show the number of public-housing units which have been built, on the average, since 1937. If there has been such great need for public housing, why have not more units been built? Why has not the party of the able Senator from New York sponsored the building of more public housing in that time? Why has there been a delay?

What the committee is trying to do, and what the President is seeking to have done, is to have the public-housing program placed on a sane, sound, practical basis, and then to have built each year a definite number, rather than to talk about large numbers, such as 135,000 units, but to build on an average of only 30,000 a year?

Mr. LEHMAN. Since the distinguished Senator from Indiana has raised the question, and I have not put a question mark after my question, I am going to withdraw it.

Mr. CAPEHART. I merely wanted to make sure——

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The time of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, I yield myself 5 additional minutes, so that I may yield to the Senator from New York.

Mr. LEHMAN. Mr. President, I wished to proceed with the inquiry, because it seems to me it is amazing that the only objection which is suggested against the larger program is that certain things were done in the past. There were many things we did not do in the past and many in connection with which we acted supinely—among them the building of new housing—because of the Korean war. In the old days we had no wage and hour law, and no factory inspection. I do not think our past inaction should be used as an excuse for not concerning ourselves very vigorously with the problem at hand. The only argument I have heard thus far from the Senator from Indiana, although I am sure he will have other arguments to advance, is that we did not do anything 5, 10, or 15 years ago.

Mr. CAPEHART. I think it is a sound argument, because if there was a great need for housing, the law existed under which housing could have been constructed, and it was not done. The 1949 act authorized the building of 135,000 units a year. Why were they not built?

Mr. LEHMAN. I do not know why they were not built. I was not a Member of the Senate at that time. I am extremely sorry they were not built. Later, throughout the period of the Korean war, everything had to be subordinated to our military needs.

Mr. CAPEHART. Was not the reason a very simple one and an honest one, namely, that from 35,000 to 50,000 units a year are about all that can be processed, and about all the cities can handle, and get ready to build, and actually build?

Mr. LEHMAN. No. I shall develop that point in my remarks later.

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

Mr. CAPEHART. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I am interested in public housing, as the Senator knows, and I should like to say——

Mr. LEHMAN. Is the Senator going to vote with us on the bill? That is the test.

Mr. SALTONSTALL. I am going to vote against the Senator's position.

In 1953, as the Senator from Louisiana [Mr. ELLENDER] knows as well as I do, there was an authorization in the act for 135,000 units, and the budget estimate submitted by President Truman called for 75,000 units. The House cut the number to 5,000 units. The Senate provided for 45,000 units. If I remember rightly, the Senator from Louisiana, the Senator from South Carolina, and I stood for 55,000 units; but the majority of the committee recommended 45,000 units. The conferees compromised as between the House figure and the Senate figure and made it 35,000 units. That was the number provided for in 1953. That is where the figure submitted in this year's budget comes from.

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

Mr. SALTONSTALL. I yield.

Mr. ELLENDER. The Senator from Massachusetts is absolutely correct about that. However, I wish to call the attention of my good friend from Indiana to the fact that an effort was made to provide for 75,000 units, but, because of the attitude taken by the House, we could not put in the bill more than the conference committee agreed to.

Mr. SALTONSTALL. The Senator from Louisiana and I stood up for 55,000 along with our late friend from South Carolina Senator Maybank.

Mr. ELLENDER. One of the reasons this program did not proceed as fast as it should have was the action taken by the House.

Mr. CAPEHART. Does not the Senator think it would be more practical to follow the recommendations of the President, provide for 35,000 units a year, make the appropriation, and let the program operate over a period of years?

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

Mr. CAPEHART. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 40 minutes remaining to him.

Mr. CAPEHART. Mr. President, I yield myself 5 additional minutes.

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is not the reason for the slowing up of the housing program in 1953 that the colleagues of our friends on the other side of the aisle had control of the Committee on Appropriations of the House of Representatives, and they not only tied down the amount appropriated, but also imposed restrictions which made it virtually impossible to construct houses? Now the Senator from Indiana is proposing to again place the country in the iron vest in which it was confined then.

Mr. CAPEHART. Mr. President, I wish to say to my good friend from Illinois that my memory on that point is not very good.

Mr. President, I yield the floor temporarily.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

I do not know of any bill which I helped to pass in the Senate, Mr. President, of which I am prouder than I am of the Public Housing Act. For many years, our Government has extended a helping hand to those of our population

who have been able to finance the construction of new homes, and the repair of existing homes, through FMA. We assisted those who had sufficient income to finance their own homes.

We provided a program, which has proved to be a good, sound, workable one, whereby anyone with a reasonably secure job or other source of modest income might obtain private financing with Government backing, to construct a home for himself and his family. But in the case of those unfortunate persons who do not have enough yearly income to finance the ownership of a home of their own we offered no help whatsoever. Why, Mr. President, have some people, who have asked for and obtained in the past, billions of dollars in Federal financing for themselves—people who actually were able to assist themselves without Government help—but who now come to Congress to fight the low-rent housing program?

Today our Government has guaranteed our veterans over $20 billion in loans. The Federal Housing Administration has guaranteed, through private lending facilities, housing loans amounting to over $18½ billion. The pending bill provides an additional $4 billion for FHA, which will be used to assist those fortunate persons who, because they have sufficient salaries, are able to buy or build their own homes.

But Mr. President, when it comes to assisting those unfortunate Americans who are unable to help themselves—who are unable to afford the comfort of an FHA-financed home—we hear a lot of "squawking" not only on the House or Senate floors, but from the very persons who are urging that we make available to them $4 billion more in order to guarantee the building of privately owned homes.

Mr. President, if Senators will only study this housing program they will find that it has been a Godsend to those communities in which projects have been built. The fact that these communities now have more contented and law-abiding citizens—that happier and more efficient workers are available for industry—all of this contributes substantially to the advancement of the community as a whole through the reduction of law-enforcement costs and as a result of those intangible benefits which flow from comfortable housing facilities and bright, decent surroundings. I repeat, Mr. President—the many substantial benefits that have accrued to our country more than repays the small amounts that our citizens must contribute by way of taxes in order to defray the cost of the small subsidy which makes public housing available to families in the low-income bracket.

I hope the amendment before the Senate now will be rejected; and I hope that the Senate today will, in a measure, reenact and reinstate the provisions of the Housing Act of 1949, which I took an active part in in making possible.

Mr. President, my distinguished colleague, the junior Senator from Louisiana [Mr. LONG], is necessarily absent from the Senate today in connection with his official duties. He and I are vitally interested in title II of the pending bill, which contains the substance of Senate bill 1524, a measure I cosponsored with the junior Senator from Louisiana and 22 other Senators.

In brief, title II will create a revolving fund of $100 million, to be administered by the Community Facilities Administration of the Housing and Home Finance Agency. Its purpose is to assist municipalities in financing sewerage, water distribution, and other public facility improvements. There is a great need for this source of credit on the part of small communities throughout the Nation—communities which will otherwise be denied credit in the open money market. Title II, if enacted, will enable these communities to secure the necessary funds in order to provide their residents with these vital facilities and pay back the Government the principal together with a reasonable interest rate. The net cost to the Federal Government should be absolutely nothing, Mr. President, while the added health protection and enjoyment it will bring to American citizens throughout our land are immeasurable.

On behalf of my distinguished colleague, the junior Senator from Louisiana [Mr. LONG] and myself, and the 22 other sponsors of S. 1524, I urge the Senate to adopt without change title II of the bill as reported by the Senate Committee on Banking and Currency.

Mr. President, at this time I yield 15 minutes to the distinguished Senator from New York [Mr. LEHMAN].

The PRESIDING OFFICER. The Senator from New York is recognized for 15 minutes.

Mr. LEHMAN. Mr. President, I address myself to the question of the national need for a continuing and substantial public-housing program.

It has been asserted by the opponents of public housing that it was a stopgap program devised in the 1930's to meet merely a temporary unemployment situation. Mr. President, nothing could be further from the truth.

The public-housing program is a permanent Federal undertaking based on the growing need for Federal aid to low-income groups who cannot afford adequate private housing. We have had in the past, and we are going to have for decades, a far larger demand for housing than the private construction and private investment resources of the Nation could possibly meet.

At the present time we are building about 1,400,000 new housing units a year. At first glance, this appears to be a sizable figure. But when compared with our housing needs occasioned by the formation of families, the deterioration in buildings we now have, and various types of casualty losses, the present figure is far short of the needed construction.

Dr. William L. C. Wheaton, of the University of Pennsylvania, a leading expert on our housing needs and resources, testified recently before the Banking and Currency Committee regarding our present housing needs. He estimated that there are now 10 million substandard dwellings which are being occupied and which are so far below standard that they cannot be rehabilitated. Dr. Wheaton further stated that at the present rate of construction by private enterprise over the next 15 years, we will in fact have about 14 million substandard dwellings by 1970.

I quote these figures to refute the claim that our high construction rate will cause a "trickle down"—a favorite expression of the present administration—of adequate housing to the low-income groups which now need public housing. Dr. Wheaton's figures show that as high income groups move into the new housing units, they do not leave vacancies sufficient to house the lower-income groups. The simple fact of the matter is that today, and in the foreseeable future, millions of our low-income persons and families must live in substandard, unsafe, disease-ridden, and slum-surrounded dwellings, unless they can obtain some relief from Federal housing legislation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, certain tables compiled by the National Housing Conference.

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

TABLE 2.—*Substandard dwellings requiring replacement or rehabilitation, 1950 (thousands)*

	Substandard	Requiring replacement	Requiring rehabilitation
Urban housing: [1]			
Dilapidated	2,217	2,217	----
Lacking plumbing or running water	4,721	2,725	1,996
In substandard blocks [2]	1,993	1,993	----
Total urban	8,931	6,935	1,996
Rural nonfarm housing: [3]			
Dilapidated	1,131	1,131	----
Lacking running water	1,841	614	1,227
Total rural nonfarm	2,972	1,745	1,227
Nonfarm total	11,903	8,680	3,223
Farm housing: [4]			
Serious deficiencies	2,024	1,524	[5] (500)
Other deficiencies	1,405	----	1,405
Total farm	3,429	1,524	1,405
All housing	15,332	10,204	[5] 4,628

[1] All housing in standard metropolitan areas.
[2] Additional dwellings in blocks more than 50 percent substandard.
[3] Nonfarm dwellings outside standard metropolitan areas.
[4] Deficiencies based on U. S. Department of Agriculture data.
[5] 500,000 dwellings abandoned and not replaced.

TABLE 3.—*Population and average household size, 1930–70*

Year	Population [1] (millions)	Average household [2] size
1930	122.7	4.01
1940	131.6	3.67
1950	151.6	3.39
1955	164.8	[3] 3.35
1960	174.4	[3] 3.10
1965	189.9	[3] 2.95
1970	204.4	[3] 2.80

[1] United States Census, series P–25 No. 78, 1953.
[2] United States Census, P–20 No. 41, 1952; and P–20 No. 35, 1951.
[3] Straight line projection of 1930–50.

TABLE 4.—*Estimated changes in population, household size, number of households, and dwellings required, 1955–70*

	1955	1960	1965	1970
Population (millions)	164.8	174.4	189.9	204.4
Less population not in households [1]	4.9	5.2	5.7	6.1
Population in households (millions)	159.9	169.2	184.2	198.3
Average household size [2]	3.35	[3] 3.1	2.95	2.80
Number of households (millions)	47.70	54.58	62.44	70.82
Plus vacancies, 4 percent (millions)	1.90	2.18	2.50	2.83
Total dwellings required (millions)	49.60	56.76	64.94	73.65
Additional dwellings required during preceding period (millions)	-------	7.16	8.28	8.71
Average annual construction required during preceding period [4]	-------	1.43	1.65	1.74

[1] Assumed 3 percent.
[2] Table 3.
[3] A lower rate of reduction in average household size would be:

Average size	3.15	3.0	2.90
Number of households	53.71	61.40	68.38
Total dwellings	55.86	63.86	71.11
Additional dwellings	5.44	8.00	7.25
Annual construction	1.09	1.60	1.46

[4] See text for explanation of relationship between family and household size. These estimates include needs arising from new family formation, undoubling, required vacancies, changes in family size, and increases in number of persons or families using separate housing accommodations.

Mr. LEHMAN. Mr. President, I wish to read a part of the statement made by Dr. Wheaton, as follows:

REPLACEMENT RATES

In addition to these requirements for new population and new families, the Nation must replace the 10.2 million substandard units requiring replacement shown in table 2. If these units were to be replaced in the period 1955–65 we would have to build nearly 2.5 million homes in each of these years. This could not be accomplished in the immediate future without inflationary pressures, unless other construction drops seriously and unless there is a substantial drop in armament production. From a purely housing standpoint, it would be undesirable to attempt any such volume of replacement until new homes are available to accommodate those displaced from substandard homes.

For these reasons it would appear to be both economically and socially desirable to spread the replacement task over a 20-year period. If this were done, the volume of current construction would have to be increased steadily and rapidly, but within magnitudes which could be readily achieved by the building industry. Such a program would permit relocation to proceed in a more orderly and humane fashion, and would be more nearly in keeping with the capacity of our cities to plan for slum clearance and redevelopment.

Finally, if the replacement job is scheduled over a 20-year period, the annual volume of new building for replacement will be stabilized over a 30-year period. For by 1975, when the job of replacing our 1950 substandard homes is completed, we will have to continue replacement construction at the rate of 500,000 units per year merely to replace dwellings then becoming 70 years old. Indeed, a step-up of replacement construction to a level of over 600,000 units per year would be necessary to cover the 1950–70 backlog of deteriorated dwellings during the succeeding 20 years.

Mr. President, I am no detractor of private enterprise. I believe that private enterprise has made this country great. But I am also convinced that it is the duty of a democratic government to come to the relief of those who cannot get the necessities of life without such relief.

Health, food, clothing, and shelter are such necessities. The necessity for shelter is not met by slums and broken-down shacks.

If our experience had indicated that anything short of public housing could meet the needs of low-income groups, I would be the first to advocate such an alternative. But no amount of planning, loaning, insuring, or other forms of aid to private construction can achieve decent housing for the groups now eligible for public-housing benefits.

Those who oppose public housing often fail to point out that in major respects it is not Federal housing at all. The States and localities plan, float loans for, operate, and own our so-called public housing. The Federal Government helps finance the original cost, but the Federal grant is repaid as far as possible by project income.

Thus far, I have referred to the housing needs of our low-income persons and families. But there are considerations of even greater import than the mere sheltering of these millions of our people. Foremost among these reasons are the social effects of slum conditions—of overcrowded, unsanitary, unsightly, blighted urban areas. These effects are immeasurable. But we know that crime, juvenile delinquency, broken homes, and broken lives are the daily harvest we reap from our slums.

I wish all my colleagues could see at first hand what inadequate housing means. Those who have not been subjected to these experiences cannot understand them. For the last 55 years I have had that experience in the great city of New York. The crowding, the dirt, the heat, the noise, and all the other factors destructive of an individual's self-respect are created and nurtured in our slums.

And one of the greatest tragedies is that these conditions have their greatest impact on our children and on our aged people. The impact on children is obvious. Less obvious but even more dramatic is the effect of poor housing on our aged people who have passed their productive years when they contributed to the great growth of this Nation. They are among those hardest hit by our 10 million substandard housing units. They are among those least able to pay the price of adequate housing.

In 1949 Congress authorized a 6-year public-housing program for the construction of 810,000 units. That bill was sponsored by our own colleague, the Senator from Louisiana [Mr. ELLENDER], the late Senator Robert F. Wagner, and the late Senator Robert A. Taft. All those men were consistent, constant supporters of public housing. I wish to give myself the pleasure of saying that I know the great contribution which the Senator from Louisiana made to the housing program of this country over a period of 7 years. I have always been deeply grateful to him, as I am today.

That program, adopted in 1949, provided for an average of 135,000 units every year. That is less than the late Senator Robert Taft urged, with his formula of one-tenth of total construction. Under the Taft formula we should today be building 140,000 public units a year.

In the face of the demonstrated need for such a public-housing program, the administration proposes to continue the restrictive 1954 Housing Act provisions. These authorize 35,000 units per year for 2 years and tie up this meager dole with restrictions the effect of which has been to kill the program entirely. Last year when these restrictions were put into the act I said I could not vote for a phony public-housing program. I stated that the authorization of 35,000 units, together with the set of restrictions voted into the 1954 act, made the public-housing program into a cruel joke.

I would go further today than I did a year ago. I have checked with the Public Housing Administration, and as of yesterday the number of units put under contract under last year's authorization—which authorization is due to expire this month—is a grand total of 585 units. Can anyone claim that with 10 million occupied substandard housing units and a growing deterioration rate, a public-housing program for low-income earners of 585 units a year is worthy of the name "public-housing program"?

The administration's recommendations do nothing more than fiddle with the fringes of last year's act. They would leave at 35,000 the maximum authorized units per year.

Mayor Clark, of Philadelphia, testified during the hearings:

> We have 70,000 substandard units in Philadelphia alone, which we would like to replace with public housing, and yet there are only 35,000 units a year for the entire country.

I say to the administration that their public-housing proposals are a fraud. Thirty-five thousand units are not even the skeleton of an adequate public-housing program.

At the conclusion of the housing subcommittee hearings, it was perfectly clear from the testimony that nothing less than 135,000 units a year—the figure voted in the 1949 act, would begin to meet our public-housing needs. I, therefore, introduced on May 23 of this year a bill which would establish 135,000 units as a maximum annual limit for our public housing. The committee has adopted this figure in the bill before us today. They have returned to the 1949 act to revive the authorized units under that act which have never been put under contract. It is my understanding from the Public Housing Authority that about 400,000 units could be built under that act, within the $336 million limit on total annual contributions for housing under the 1949 act.

The pending bill, the committee bill, also makes provision for including elderly single persons, heretofore excluded, and elderly couples, in our public-housing program.

No one could claim that the 10,000 units per year authorized for this purpose is sufficient to meet the tremendous

need among our elderly single and married persons for adequate housing within their means. But this is a new approach in public housing not heretofore attempted, and it would be well to see how the program works before putting it on the large scale that would be commensurate with the demand for this type of public housing.

The committee bill removes the restrictions on public housing that hamstrung the 1954 program because of unworkable ties with slum clearance and urban redevelopment. These ties have prevented the initiation of even the minimal 35,000 units authorized. As I stated on the floor at the time I introduced my bill, if we are to have public housing it must be on its own merits, not as a stepchild of urban redevelopment.

For example, in some areas public housing meets the total redevelopment need. Also, many deserving persons need public housing though they have not been displaced by a slum clearance or redevelopment project.

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

Mr. ELLENDER. Mr. President, I yield 5 additional minutes to the Senator from New York.

Mr. LEHMAN. Testimony of a number of witnesses before us indicates that tieing the public-housing program to slum clearance has resulted in a vicious circle wherein communities cannot clear slums until they get public housing but they cannot get public housing approval until they have a going, workable slum clearance project.

The intolerable situation must be ended and the committee bill will end it by putting the public-housing program back on its own merits.

This bill, as reported, is a fairly good bill. It makes many changes and additions to our present housing laws which will improve the housing picture. Improved housing programs for the military, for our colleges, for rural communities and other groups and areas are included. But I am impressed with the fact that the group which most needs Federal aid—the low-income group—has consistently had the least real support from the Federal Government. These are the people who must come first because if we do not help them to get decent housing they can turn nowhere else for it.

Decent housing is not a privilege. It is the right of every citizen of the United States. The committee bill, in its public housing provisions, would move in the direction of implementing that right. I strongly urge every one of my colleagues to vote for the bill as it was reported.

Mr. President, we hear a great deal about the housing which has been provided by the Federal Housing Administration. It is almost exclusively housing for the middle-income group or the wealthy. In Washington there is a very beautiful apartment house called the Woodner. It is a fine apartment house. I am not critical of either the Federal Housing Administration or the owners of the apartment house. But that is the type of housing for a man of large means; and no one but a person of large means could afford to live there.

That type of housing will not help the little fellow with a small income, who needs decent housing. That is the man I wish to protect. I believe that is the man whom most of my colleagues in the Senate wish to protect.

I strongly urge that the amendment of the Senator from Indiana be defeated.

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

Mr. LEHMAN. I yield.

Mr. LANGER. I wish to compliment the distinguished Senator from New York for the very fine speech he has made. His record shows that time and time again, when even though the interests of his own State were not involved, he voted in favor of projects for the great Northwest, such as reclamation projects, reforestation projects, and other projects accruing to the advantage of that area. I want to assure him that he can count on the Northwest to help him in bringing about needed changes in the housing conditions in New York City and in other large cities of the country.

Mr. LEHMAN. I wish to express my deep appreciation to the Senator from North Dakota. I am very grateful to him.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Illinois.

Mr. DOUGLAS. Mr. President, it might be well to review a little history on the question of public housing. In 1949, as it has been stated, the Senate approved a bill which called for the construction of 810,000 units over the course of 6 years, or an average of 135,000 units a year, with a sliding scale, which the Senator from Vermont added, to speed up construction in periods of economic depression and to slow down construction in periods of high construction activities.

The bill was in large part a bipartisan bill. On the Democratic side we were led by our dear friend, the late Senator Maybank, of South Carolina, by the Senator from Louisiana [Mr. ELLENDER], and by the Senator from Alabama [Mr. SPARKMAN]. All three Senators were invaluable in working for the passage of the bill.

On the Republican side, the late Senator Taft threw his full strength behind the measure. He was assisted by many other Republicans, including the very able and distinguished junior Senator from Vermont [Mr. FLANDERS].

Under that act, with all the difficulties it experienced, and about which I shall speak in a moment, approximately 250,000 units have been constructed, leaving 560,000 units, which we thought in 1949 should have been constructed, unbuilt and unconstructed.

The Senator from Indiana [Mr. CAPEHART] has made a great point of the fact that since we have built housing at the rate of only about 50,000 units a year, we should not authorize more than 35,000 units in the years immediately ahead.

Let us see what is behind the failure to live up to the program of an average of 135,000 units a year and why, instead, we have built at a much lower rate.

In the first place, cities were late in submitting their plans in 1949, because a great deal of paper work was required. Just as they were getting their plans ready for submission, the Korean war broke out in 1950. As a result of the need to turn out munitions and other war supplies, the President—and he was a Democratic President—asked that the program be reduced to 75,000 units a year.

Even that program ran into trouble, not so much in the Senate, but in the Committee on Appropriations of the House. I must say that there were some on the Democratic side of the House Committee on Appropriations who did their best to whittle down the program. But most of the opposition came from the other political party.

However, in 1953 the forces in the House opposed to this program became especially strong, in large part due to the election of 1952, and, as a result, the funds were greatly curtailed. Last year, as the Senator from New York [Mr. LEHMAN] has pointed out, further restrictions were imposed on the construtcion of public housing, which virtually has made it impossible to construct any public housing at all.

As the Senator from New York has pointed out, only 540 units have been authorized under the 1954–55 program. In other words, this program has always been treated as a stepchild, and by successive steps we have eroded and cut into the original design of Congress in 1949.

Now the Senator from Indiana is asking us to compound the sin by reducing construction in future years to the low level accomplishments of the past years.

Why is it that we need this housing? We need it primarily in the cities, although the bill also provides for the elimination of rural slums. The cities of this country are in a very serious situation. Anyone who walks into any city of any size in this country, away from the central business district into the surrounding residential area, will find in nearly every case a slum—streets without trees, houses that are many years old and in disrepair, and children growing up under circumstances that are very difficult.

These slums are constantly growing and constantly increasing. In my own city of Chicago, for instance, we have many square miles of what can only be described as slum area. This slum area, like a cancer, is eating through the community at quite a rapid rate. Other cities are in an equally bad situation.

Moreover, the cities suffer from the fact that the people who are moving into the suburbs are not only people in the upper-middle class, but in some cases in the middle-middle class, and in some cases even in the lower-middle class. Thus cities are being left with low income families and reduced revenue capacity. They are the low income families who do not have the means to take advantage of the other housing facilities which are offered under FHA.

I have always voted to support FHA. It has done a slendid work, and it has now become the backbone of the building industry in this country. However, FHA

is building homes for the middle and upper-middle classes. It does not get down to the low income groups of under $2,500 a year and under $3,000 or under $3,500 annual incomes. Those are the people who are really suffering. In particular, it is the children who are suffering.

Six years ago, in what I believe was almost my maiden speech in the Senate, I assembled evidence to show what slums did to human beings. I showed, for instance, that the death date in the slums was very much above the average of the community; that the sickness rate, particularly from tuberculosis and other diseases, was very much greater than the average for the whole community. I showed that the fire rate was high, that the crime rate was high, and that the juvenile delinquency rate was high. After all, juvenile delinquency is just a fancy name for kids getting into trouble.

What happens does not happen because people who live in the slums are bad people. That is not it at all. It is because the conditions of life are such as to make it very difficult for families to live happily and to have their kids develop properly.

In the city of Chicago, for instance, in the region which has been a slum area for almost 70 years, one nationality after another has lived in the slums. Successively, each has had a high juvenile-delinquency rate and a high crime rate. Then as each nationality group has prospered and moved into the suburbs or other residential areas, the result has been that the same children who got into trouble in the slums did not get into trouble, but developed extremely well underneath the maples.

Another nationality would come into the slums and go through exactly the same experience. As it prospered, it moved out. It went through the same experience. In that way at least five sets of nationalities have moved into the west and southwest and northwest sides of Chicago. The conclusion is that in the slums conditions are such as to make it extremely difficult for kids to grow up and live happy, harmonious, and decent lives.

I think it is extraordinary that the families in those regions do as well as they do, with all the obstacles against them, and with all the difficulties against them. They make, in a very large proportion of cases, a splendid record.

The most-decorated soldier of World War II, Audie Murphy, grew up in the slums of Pittsburgh, one of the worst slums in the country. From a material standpoint, he did not owe this country anything, but this country owed him a great deal.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The time of the Senator from Illinois has expired.

Mr. ELLENDER. Mr. President, I yield 3 more minutes to the Senator from Illinois.

Mr. DOUGLAS. All credit to men like that and all credit to families like that. Most children growing up under those conditions swim against the tide. The cities are in trouble. Their financial base is shrinking. The slums are expanding. We are in a worse condition than we were in 1949. We have lost ground. The cities need help. They are generally under-represented in the State legislatures. They lack home rule. They need Federal assistance. The cities also tend to be underrepresented in the House and, in the main, in the Senate. The people for whom we are speaking on the floor of the Senate this afternoon are the low-income people. They are inarticulate. It is difficult for them to voice their needs. We provide aid and assistance to virtually every other group and generally most lavishly to those who need it far less. We provide assistance to private builders, real-estate groups, to airlines, to shipbuilders and operators—subsidies galore to those who do not need them, but none, or little, to those who most need assistance.

Mr. President, this is the noblest country on earth, but we have two great blots upon us: One is our treatment of the Negro and the other is the slums in our cities.

I did not serve on the European front in the last war, but I saw some of the photographs which the Germans distributed amongst our troops on the western front. They were photographs of slums in American cities. They were distributed amongst regiments and divisions which came from those same areas. Fortunately, the fighting capacity of our forces was not diminished.

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

Mr. JOHNSON of Texas. Mr. President, I yield 2 more minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, we all want a nobler country, a better country. One of the things we must do is to cut out the cancer of the slums and to provide decent housing which will mean better family life, happier children, and better communities.

So I hope, Mr. President, that the Senate will reject the amendment of the Senator from Indiana and return to the bipartisan program of the Senator from Louisiana [Mr. ELLENDER], the late Senators Maybank and Taft, and the Senator from Vermont [Mr. FLANDERS].

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. SALTONSTALL. The Senator will recall that he and I had a little colloquy with reference to housing.

Mr. DOUGLAS. That is correct.

Mr. SALTONSTALL. I stated that certain figures applied were to the calendar year 1953. I should like to correct that and say that what figures I gave applied to the calendar year 1952 or were for the fiscal year 1953.

Mr. DOUGLAS. I am very glad to hear the Senator say that. I wish to pay tribute to the Senator by saying that in the Appropriations Committee he resisted severe restrictions. But conditions became worse in the calendar year 1953. Bad as they were in 1952, they became worse in 1953.

Mr. SALTONSTALL. That was not due to Senate action.

Mr. DOUGLAS. It was not due to Senate action, and it was not due to the Senator from Massachusetts.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Vermont [Mr. FLANDERS] 5 minutes.

Mr. FLANDERS. Mr. President, I should like, first, to invite attention to the fact that the figures mentioned are maximum figures. The 135,000-unit figure is the maximum, but if, under the terms of the act of 1949 and of the amendment which was accepted an hour or two ago, in times of depression 135,000 units are added to the 65,000 units, making 200,000 units, that is a maximum figure. If, on the other hand, times are booming and it is difficult to get materials and workers, and the 135,000 units are decreased by 85,000, then we have left a maximum of 50,000.

Remembering that these are maximum figures, I would invite attention to the fact that it is within the control of the President of the United States to keep within the maximum, and that he is able to do exactly what the Senator from Indiana says he desires to do in the way of limiting the number of public housing units. In the pending bill there is no compulsion on him to do more than he asked to be given authority to do in his message to the Congress.

The next thing to which I wish to invite attention is the very great desirability of furnishing a flexible means of counteracting conditions in periods of boom and periods of depression. We talk a great deal about counteracting conditions incident to booms and to depressions, but we do almost nothing about it. In this bill, for the first time, there is built into it a countervailing means for mitigating depressions and for controlling booms.

Mr. President, in conclusion, I wish to say that one of the highest points of my life was my working with and under the late Senator Taft in drawing up the act of 1949, in the Banking and Currency Committee, and in assisting him and supporting him on the floor of the Senate. I look back upon that time as one of the periods of my life of which I am proudest. I am again proud today to be able to support that measure and to carry forward for another period the remarkable and effective and public-spirited proposals which the late Senator Taft advanced in this body 6 years ago.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time taken thereby being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

POSTAL FIELD SERVICE COMPENSATION ACT OF 1955

Mr. JOHNSON of Texas. Mr. President, the House has adopted certain amendments to the postal pay bill which passed the Senate on June 1. It is my understanding that the chairman and the ranking minority member of the Committee on Post Office and Civil Service wish to make a brief explanation of the amendments, in the hope that the Senate may concur in them and then send the bill to the White House.

Therefore, I ask unanimous consent that the chairman and the ranking minority member of the Committee on Post Office and Civil Service may have not to exceed 20 minutes, to be equally divided, for the purpose of explaining the amendments, without the time being charged to either side in the debate on the housing bill.

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

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2061) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, which were, on page 13, line 17, after "Makes", insert: "occasional"; on page 15, line 22, strike out: "(11) Positions.—City or Special Carrier—Level 4" and insert: "(11) Position.—City or Special Carrier or Special-Delivery Messenger—Level 4"; on page 18, line 3, after "carriers" insert: "and special-delivery messengers"; on page 105, strike out lines 16 and 17, inclusive, and insert: "Special Delivery Equipment Maintenance Allowance", and on page 105, line 19, strike out "special-delivery carriers" and insert: "special-delivery carriers and special-delivery messengers."

Mr. JOHNSTON of South Carolina. Mr. President, S. 2061, the postal pay bill just returned by the House is substantially the same proposal as was approved by the Senate on June 1 by a vote of 78 to 0.

Two minor amendments were added by the House committee and subsequently accepted and approved in the House by an overwhelming vote of 407 to 1 just a few minutes ago.

They accepted without adjustment the Senate's pay schedules. Both changes relate to job descriptions.

One amendment makes a slight modification of the job description for mail handlers. It was the view of the House committee that the simple distribution of parcel post packages by mail handlers is an incidental or occasional duty, rather than a primary function. In the interest of expediting the legislation, I do not think the Senate should object to this amendment.

The second change adds certain language to the job title of city or special carrier.

In S. 2061, as passed by the Senate, key postion No. 11 was titled "City or Special Carrier—Level 4." The bill as it comes back to the Senate changes this title to read, "City or Special Carrier or Special Delivery Messenger—Level 4."

It is my considered opinion that this change, unwittingly perhaps, results in redundancy. In consolidating the job titles for city delivery and special delivery carriers, the Senate committee was simply accommodating the administration's request for "equal pay for equal work."

Congress was assured by the Post Office Department that the duties of city carriers and special carriers were practically identical. As a matter of fact, the printed hearings quote Assistant Postmaster General Eugene J. Lyons as stating:

> You will note that this does result in a sizable adjustment for special-delivery messengers, who currently are paid below both clerks and carriers. The reason for that is that their duties—
>
> Referring to special-delivery employees—
>
> in delivering the mail are so identical with those of some carriers that we could find no difference in the work and no justification to maintain a differential.

With this explicit assurance from the Department, I can see no reason at all for differentiating between the titles for city carriers and special carriers.

During the hearings on this legislation, testimony developed the fact that a considerable amount of mail for which the special-delivery fee is paid is delivered by city carriers, particularly those serving business routes.

The committee was also advised that 100 percent of the special-delivery mail in the New York City post office is delivered by the regular delivery carrier. In other words, there are no special-delivery messengers in the Manhattan post office. Apparently it has been determined that this particular service can be furnished more economically by the use of city carriers and regular substitute employees.

All this leads me to the conclusion that the Senate acted very wisely in writing into the bill a provision which gives Congress the right to review Mr. Summerfield's reclassification actions.

Mr. President, I shall not insist on the retention of the Senate language in S. 2061. To do so would only result in further delay. As it is, postal employees have been patiently waiting many months for the pay increase contained in the bill. They have witnessed two Presidential vetoes of bills Congress sent to the White House. I earnestly hope this bill in its present form will be approved by the Senate and signed by the President.

Mr. President, I move that the Senate concur in the amendments of the House.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. LANGER. I desire to compliment the Senator from South Carolina for his promptness in getting the bill before the Senate and for the energetic way in which he has made certain that the Senate may have an early vote on the matter.

The bill may not be perfect so far as the clerks and messengers are concerned; nevertheless, it is the best bill, apparently, that can be had, in view of the two White House vetoes which Congress already has received.

I think the Senator from South Carolina has done a magnificent job as chairman of the committee, and I join with him in the hope that the bill may be passed unanimously.

Mr. JOHNSTON of South Carolina. I thank the Senator from North Dakota for his complimentary remarks. Throughout the consideration of the bill, we have benefited by his earnest efforts. At all times he was fighting for what he considered to be the best interests of the postal employees.

I thank the Senator for his remarks.

Mr. President, I shall not take any further time of the Senate, but shall answer any questions any Member may desire to ask.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from West Virgina.

Mr. NEELY. In view of the fact that the President's salary and allowances amount to $190,000 a year—more than fifty times as much as the postal clerks and letter carriers would receive if the increase under consideration is granted—does the distinguished Senator from South Carolina believe that the President will veto to death the pending bill, as he did two other postal pay-raising bills recently passed by the Congress?

Mr. JOHNSTON of South Carolina. I believe the President will sign the bill. From all reports I have received, I think the President will sign the bill.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Alabama.

Mr. SPARKMAN. I wonder if the distinguished chairman of the committee can tell us about how much difference there is between the pay which a postal employee will receive under this bill as contrasted to what he would have received if the bill which the President vetoed had been enacted into law.

Mr. JOHNSTON of South Carolina. I estimate the difference to be about 4 cents a day, on an average.

Mr. SPARKMAN. Four cents a day?

Mr. JOHNSTON of South Carolina. There is a difference of about three-tenths of 1 percent between the salaries provided for in this bill and the bill which the President vetoed.

Mr. SPARKMAN. If the only difference is three-tenths of 1 percent, does the Senator entertain the belief that this bill will clear the White House hurdle?

Mr. JOHNSTON of South Carolina. From all reports I have received, I think the President will sign the bill. I hope he will.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Vermont.

Mr. AIKEN. Is the Senator from South Carolina of the opinion that the bill which is now before the Senate puts the rural carriers on an equitable basis with other postal employees?

Mr. JOHNSTON of South Carolina. I think it does. I believe the Senator

from Kansas [Mr. CARLSON] will agree that it does. The bill treats them much better than they have been treated heretofore.

Mr. CARLSON. Mr. President——

The PRESIDING OFFICER. The Senator from Kansas.

Mr. CARLSON. Mr. President, I yield myself 5 minutes.

Concurrence by the Senate in the amendments of the House will be the culmination of 2 years of work on the part of Congress in trying to secure a pay increase for the postal workers.

I wish to pay tribute to the chairman of the committee and the other members of the Committee on Post Office and Civil Service for their untiring efforts in working out a pay increase bill under sometimes rather trying and difficult conditions.

We also owe a debt of gratitude to the Post Office Department for the assistance they gave in furnishing information and suggesting pertinent and appropriate language.

Then, too, we owe a sincere debt of gratitude to the heads of the postal employees' organizations. They were very helpful. I say very frankly, that there were times of difficulty and confusion in the committee because of the differences of ideas, but the fruits and much of the progress of our democracy have developed from the clash of ideas in fair debate. The bill which is now before the Senate is the result of the cooperative efforts of various groups exercising their constitutional rights and privileges.

I hope the motion to concur in the House amendments, which have been discussed by the chairman of the committee, will be unanimously agreed to.

I called attention to the amendment dealing with the special delivery messengers, when it was before the Senate. I felt that a situation was created which should be clarified, and it has been clarified.

It has been mentioned that there is not much difference in the amount of money involved in this bill as compared with the bill which was vetoed. The fact is that there is a difference of but $14 million. The President did not veto the previous bill because of the cost feature, but, as he stated very frankly, because there were serious inequities in it. Those inequities have been corrected, and from that standpoint I believe every Member of the Senate and the House who votes for the postal-pay bill will be in a better position with his constituents at home.

The action taken today will assure the classified employees that a pay increase will be accorded them at a very early date. The pay increase will be retroactive to March 1 of this year. That will mean that 1½ million Federal classified workers will receive a lump sum of $125 million in retroactive pay on the 1st day of July. The 105,000 postal workers will receive retroactive pay on July 1 in a lump sum of $40 million. I think the administration should be commended for their fairness and support of the retroactive clause, which will protect the employees against loss of pay during the legislative process.

The Senate has already passed a bill increasing the pay of classified employees, and it is now before the House of Representatives. I sincerely hope early action will be taken on the bill, in order that this group of Federal employees may get the benefit of a pay increase, which I believe they desire and to which I feel they are entitled.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CASE of South Dakota. I was particularly interested in what the very able Senator from Kansas has said relative to the elimination of inequities and discriminations. It was my understanding that that was the basis of the President's veto of the earlier bill. At that time we had his assurance, or the understanding, that if that situation were clarified and the discriminations were eliminated, he would look with favor upon such a bill. That is why I voted to sustain the veto.

I wish to address a question to the Senator from Kansas. In his judgment, and based upon his experience in working on this kind of legislation over a period of years, is he satisfied that this bill will provide an equitable classification base for the postal service employees for some time to come?

Mr. CARLSON. It is my personal feeling that the classification base which has been written into the bill will work out satisfactorily. More than that, the members of the Committee on Post Office and Civil Service wrote into the bill a provision under which the committee will have an opportunity to check into the matter in case inequities develop in the reclassification procedures.

Mr. CASE of South Dakota. How will the matter come before the committee?

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

Mr. CARLSON. Mr. President, I yield myself 2 additional minutes.

Mr. CASE of South Dakota. Will the matter come before the committee periodically or upon request?

Mr. CARLSON. Section 205 of the bill requires the Postmaster General to transmit to Congress on or before January 15, 1956, a comprehensive report of operations under the reclassification plan, and any other information which the Senate or House Post Office and Civil Service Committees request. Moreover, any postal worker who believes he is being discriminated against because of reclassification has a right to appeal through his Senator or Representative, and I assure the Senator every consideration will be given to him.

Mr. CASE of South Dakota. I wish to assure the Senator from Kansas and all the other members of the committee that they are entitled to our appreciation for working on the problem until there has been brought before the Senate a sound, equitable, and basic piece of postal pay legislation. I certainly shall follow their leadership in voting to concur in the House amendments.

Mr. CARLSON. Mr. President, I am prepared to yield back the remainder of my time, unless there is a request for further time.

Mr. JOHNSON of Texas. Mr. President, I yield 1 additional minute to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, as I see it, the bill with the two minor amendments adopted by the House and sent to the Senate is an excellent one. I do not believe it is necessary to explain the bill any further. I wish to expedite it and have it voted on as quickly as possible.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina [Mr. JOHNSTON] that the Senate concur in the amendments of the House.

The motion was agreed to.

AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT, RELATING TO AUTHORITY FOR CERTAIN LOANS

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to lay before the Senate the amendment of the House to Senate bill 654 in order that the distinguished Senator from Alabama [Mr. SPARKMAN] may move that the Senate concur in the House amendment with an amendment. I ask unanimous consent that the Senator from Alabama may have not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 654) to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes, which was, to strike out all after the enacting clause and insert:

That section 512 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 6941) is hereby amended to read as follows:

"SEC. 512. (a) (1) Upon application by a veteran eligible for the benefits of this title, the Administrator is authorized and directed to make, or enter into a commitment to make, the veteran a loan for any of the following purposes:

"(A) To purchase or construct a dwelling to be owned and occupied by him as a home;

"(B) To purchase a farm on which there is a farm residence to be occupied by the veteran as his home;

"(C) To construct on land owned by the veteran a farm residence to be occupied by him as his home; or

"(D) To repair, alter, or improve a farm residence or other dwelling owned by the veteran and occupied by him as his home;

if the Administrator finds that in the area in which the dwelling, farm, or farm residence is located or is to be constructed, private capital is not available for the financing of the purchase or construction of dwellings, the purchase of farms with farm residences, or the construction, repair, alteration, or improvement of farm residences or other dwellings, as the case may be, by veterans under this title. In case there is an indebtedness which is secured by a lien against land owned by the veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also

to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

"(2) No loan shall be made under this section to a veteran unless he shows to the satisfaction of the Administrator—

"(A) that he is a satisfactory credit risk;

"(B) that the payments to be required under the proposed loan bear a proper relation to the veteran's present and anticipated income and expenses;

"(C) that he is unable to obtain from private lending sources in such area at an interest rate not in excess of the rate authorized for guaranteed home loans a loan for such purpose for which he is qualified under section 501 of this title; and

"(D) that he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act, as amended, or under the Housing Act of 1949."

SEC. 2. (a) Subsection (b) of such section is hereby amended by striking out clauses (A) and (B) and inserting in lieu thereof the following:

"(A) the original principal amount of any such loan shall not exceed an amount which bears the same ratio to $10,000 as the amount of guaranty to which the veteran is entitled under section 501 at the time the loan is made bears to $7,500;

"(B) the guaranty entitlement of the veteran shall be charged with an amount which bears the same ratio to $7,500 as the amount of the loan bears to $10,000;".

(b) The amendments made by this section shall not apply with respect to loans or commitments made under such section 512 prior to the date of enactment of this section.

SEC. 3. Subsection (d) of such section is hereby amended by striking out "section 501 (b)" and inserting in lieu thereof "section 501."

SEC. 4. (a) Subsection (e) of such section is hereby amended to read as follows:

"(e) Loans made under this section shall be repaid in monthly installments; except that in the case of loans made for any of the purposes described in clause (B), (C), or (D) of paragraph (1) of subsection (a), the Administrator may provide that such loans shall be repaid in quarterly, semiannual, or annual installments."

(b) The amendment made by this section shall apply only with respect to direct loans held by the Administrator on the date of enactment of this act and direct loans made by the Administrator on or after such date.

SEC. 5. Such section is hereby further amended by adding at the end thereof the following:

"(f) No veteran may obtain loans under this section aggregating more than $10,000."

SEC. 6. (a) Clause (C) of subsection (b) of such section is hereby amended by striking out "June 30, 1955" and inserting in lieu thereof "June 30, 1956."

(b) Subsection (a) of section 513 of such act is hereby amended by striking out "June 30, 1955" and inserting in lieu thereof "June 30, 1956."

(c) Subsection (c) of such section 513 is hereby amended by striking out "June 30, 1956" and inserting in lieu thereof "June 30, 1957."

(d) The first sentence of subsection (d) of such section 513 is hereby amended by striking out all beginning with "June 30, 1955" and inserting in lieu thereof "June 30, 1956, such additional sums (not in excess of $150,000,000 in any one fiscal year) as the Administrator may request, except that the aggregate so advanced in any one quarter annual period shall not exceed the sum of $50,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title."

(e) The amendments made by this section shall take effect as of June 30, 1955.

Mr. KNOWLAND. Mr. President, are we going to have an explanation by the distinguished Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 5 minutes.

Mr. SPARKMAN. Mr. President, the House of Representatives has passed Senate bill 654 with 3 changes, as follows:

First. The House added a formula whereby veterans who have used part but not all of their benefit under the loan-guaranty program of the VA can receive the benefit of the direct-loan program to the extent of the unused portion of the guaranty benefit. For example, if a veteran has used only one-half of his guaranty entitlement, he would be eligible for up to one-half of the direct-loan entitlement.

Second. S. 654, as passed by the Senate, provided up to $200 million in additional direct-loan funds and the House changed this amount to $150 million.

Third. S. 654, as passed by the Senate, extended the direct-loan program for 2 years and the House changed this to a 1-year extension.

Mr. President, I recommend that the Senate accept the House changes except for the 1-year extension. I propose to amend the House language in order to extend the program for 2 years. I am advised that this will be acceptable to the House. Consequently, I send to the desk an amendment to accomplish this purpose, and also a technical amendment, and ask that they be adopted.

The PRESIDING OFFICER. The amendments offered by the Senator from Alabama to the amendment of the House will be stated.

The legislative clerk read as follows: On page 4, line 19, strike out the date "June 30, 1956" and insert in lieu thereof the date "June 30, 1957"; on page 4, line 22, strike out the date "June 30, 1956" and insert in lieu thereof the date "June 30, 1957"; on page 4, line 25, strike out the date "June 30, 1957" and insert in lieu thereof the date "June 30, 1958"; on page 5, lines 3 and 4, strike out the date "June 30, 1956" and insert in lieu thereof the date "June 30, 1957"; and on page 1, line 2, after the word "That", insert "subsection (a) of."

Mr. SPARKMAN. The last amendment is a technical one suggested by the House committee staff. It is language inadvertently omitted by the staff when they prepared the engrossed bill.

I move that the Senate agree to these amendments to the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The amendments were agreed to.

Mr. SPARKMAN. I move that the Senate concur in the House amendment as amended.

The motion was agreed to.

HOUSING ACT OF 1955

The Senate resumed the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

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

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

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. How much time remains to each side?

The PRESIDING OFFICER. The Senator from Indiana has 35 minutes remaining, and the Senator from Texas has 20 minutes remaining.

Mr. JOHNSON of Texas. Mr. President, I yield 15 minutes to the distinguished junior Senator from Alabama [Mr. SPARKMAN].

The PRESIDING OFFICER. The Senator from Alabama is recognized for 15 minutes.

Mr. SPARKMAN. Mr. President, I feel grateful to the committee as a whole, and also to the subcommittee, for the very excellent work done in the preparation of this bill. That statement applies to the provision now under attack, namely, the one relating to what I often think of as being miscalled public housing. I think the committee did an excellent job when it sought to return to the 1949 act.

I believe that no measure ever received more careful consideration and more thorough study than did the Housing Act of 1949, and I refer particularly to the public housing section of that act.

I do not know where the idea of what we call public housing originated. I know that in 1935 and 1937 acts were passed which provided for a certain amount of so-called public housing; but we never had a program which went to the extent provided by the 1949 program, until that act became law.

By the way, Mr. President, it was in that act that Congress for the first time adopted a housing policy. Sometimes I think we lose sight of the policy Congress then adopted. I am sorry I do not have before me the full policy statement so that I could read it; but I recall that it held out the hope—even though it was recognized as probably being far in the future—that the time might come when every person in the United States would have a reasonable opportunity to live in a decent home, amid decent surroundings. All of that was the outgrowth of the study which was made in connection with this program.

Mr. President, I pay my respects to our very able and distinguished colleague, the senior Senator from Louisiana [Mr. ELLENDER]. He was one of the trio who spearheaded the fight which led to the adoption of the public housing program. That trio was composed of the senior Senator from Louisiana [Mr. ELLENDER], the late Senator Wagner, of New York; and the late and very able and distinguished Republican Senator from Ohio, Robert Taft.

I became a member of the Banking and Currency Committee in January of 1947; and in my first year of service in the Senate and on that committee I became a member of the housing subcommittee. I remember the testimony of

the Senator from Louisiana and the testimony of the late Senator Taft, of Ohio. I remember how they related the various studies which had been made.

I shall always remember how the late Senator Taft, in estimating the number of new units required each year in order to keep the housing program going steadily and normally, reached an estimate that 10 percent of the total number of housing units ought to be in the form of public housing.

Many persons think of public housing as belonging to the Federal Government. The Federal Government does not own any of the so-called public housing. It is owned by the various cities of the country. It is financed by the cities. The bond issues are made by the cities, and not by the Federal Government.

The participation of the Federal Government is in the form of contracts with the individual cities. When I speak of the city, of course I mean the housing authority established by the city. The contract runs from the Federal Government to the local housing authority or to the city. The contract is to the effect that the Federal Government will underwrite the difference between the rent which the needy family living in the particular project is able to pay and the rent which the particular unit needs in order to be an economically operated unit. The maximum limitation fixed for the Federal Government's participation was 4½ percent of the total cost of the project. Figuring on the basis of 4½ percent each year, we know what the so-called maximum contribution may be expected to be. The maximum contribution in every year has been far beyond the amount actually used.

The amount used during the present fiscal year will be $67,800,000. That is the Federal Government's participation in all the contracts which have been made to date for this particular fiscal year. I do not know what the maximum estimate made for this fiscal year was, but probably it was about $110 million.

Public housing fills a very definite need. I believe its origin represented a recognition on the part of the people of the United States, the municipalities, and Members of Congress, that housing was a necessity of life, to as great an extent as medicine, clothing, and food. Cities have always had a certain degree of responsibility for the administration of relief to needy persons. Not so many years ago there was considerable agitation throughout the country in favor of establishing a fourth category under our social security law. That would have been the category of direct relief. I have often thought that perhaps public housing may have had a great effect in staving off the drive to have the Federal Government assume responsibility for taking part in direct relief.

The Capehart amendment proposes 35,000 units for each of the next 2 years.

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

Mr. JOHNSON of Texas. Mr. President, I yield 5 additional minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 additional minutes.

Mr. SPARKMAN. The Capehart amendment provides for 35,000 units a year. The mayor of Philadelphia, in testifying before our committee as a representative of the American Municipal Association, called attention to the fact that the city of Philadelphia alone needed 70,000 units in order to carry out the provisions of the law, that is, to provide a place for people who were pushed out of the slums, or out of houses which were removed because of parks, highways, and other improvements of various kinds.

Recently President Eisenhower stated that at the rate we are going in cleaning up the slum areas more than 200 years will be required to complete the task.

What are we to do with the people who have to move from the slums? I call attention to the fact that in the very bill we are debating today we have tried to step up the slum clearance program. Every time a slum building is torn down, there are families which must be housed. Where are they to move?

A program calling for 35,000 units a year is not realistic. If we are to have a public-housing program, it certainly ought to approach nearer to reality. I think the distinguished late Senator Taft was realistic when he estimated that 135,000 units a year were needed. That is exactly what is proposed in the bill.

Mr. JOHNSON of Texas. Mr. President, I am informed that the distinguished Senator from Connecticut [Mr. BUSH] has two amendments which he wishes to offer. He does not believe they are very controversial. He has discussed the amendments with the majority leader and with the distinguished chairman of the subcommittee. Therefore I ask unanimous consent that the Capehart amendment be temporarily laid aside, for the purpose of considering the two amendments to be offered by the Senator from Connecticut, and that, at the conclusion of consideration of the two amendments of the Senator from Connecticut, the Senate resume consideration of the Capehart amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Mr. President, for what reason is this request made?

Mr. JOHNSON of Texas. The Senator from Connecticut wishes to offer two amendments which he has cleared with the majority leader and with the distinguished chairman of the committee.

Mr. CAPEHART. He may have cleared the amendments, but we ought to vote on the pending amendment.

I know that the purpose of the request is so that the Senator from Minnesota [Mr. HUMPHREY] may reach the Chamber in time to vote on the other side.

Mr. JOHNSON of Texas. The Senator is well informed.

Mr. CAPEHART. I wish to get credit for going along.

Mr. JOHNSON of Texas. I appreciate the attitude of the Senator from Indiana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I deny that the purpose of the Senator from Connecticut is to befriend the Senator from Minnesota [Mr. HUMPHREY].

Mr. BUSH. I thank the Senator from Texas very much.

Mr. JOHNSON of Texas. The Senator from Connecticut raised the question with us, and we attempted to accommodate him. What we expect from the other side of the aisle is not criticism——

Mr. CAPEHART. Mr. President——

Mr. JOHNSON of Texas. I do not yield.

We do not expect criticism when we accommodate the Senator from Connecticut. However, it is often difficult to get along with the Senator from Indiana.

Mr. CAPEHART. I merely wish to get credit for cooperating, so that the able Senator from Minnesota may reach the Chamber in time to vote.

Mr. JOHNSON of Texas. The Senator from Indiana always wishes all the credit he can get—and he gets it.

Mr. BUSH. Mr. President——

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

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Has the Senator from Connecticut offered his amendment?

Mr. BUSH. I am about to offer it. My amendment is at the desk. It is labeled "Coast Guard." I offer the amendment, and, if there is no objection, I shall summarize the amendment, the purpose of which is to include in the bill an authorization for 10,000 units of Coast Guard housing, in the military section of the bill. Such a provision was included in the 1954 act. The Senator from Alabama has agreed to it, and so has the Senator from Indiana. It was an oversight that the provision was not included in the pending bill. I believe the Senator from Alabama will accept the amendment.

Mr. SPARKMAN. I have no objection, provided the Senator from Indiana has no objection.

Mr. CAPEHART. It was purely an oversight that the provision was not included in the bill. The Coast Guard should have been included. We intended that it should be.

Mr. BUSH. Mr. President, I ask that the reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

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

The amendment offered by Mr. BUSH is as follows:

On page 40, line 9, strike out "and Air Force" and insert in lieu thereof "Air Force, and Coast Guard."

On page 41, line 11, strike out "$1,350,000,000" and insert in lieu thereof "$1,485,000,000."

On page 55, line 3, insert a comma after the word "month" and add the following: "*Provided*, That, in the case of the United States Coast Guard, total payments for all housing so acquired shall not exceed $900,000 per month."

On page 59, line 3, insert "or the Coast Guard" after the words "Air Force."

On page 59, line 4, insert "or the Coast Guard" after the word "departments."

On page 59, line 20, insert "or the Coast Guard" after the word "departments."

On page 60, after line 6, insert a new section 408 as follows:

"SEC. 408. (a) Wherever the terms 'Secretary of Defense' or 'Secretary' or 'Secretary of the Army, Navy, or Air Force' appear in this title or in title VIII of the National Housing Act, as amended by the Housing Amendments of 1955, they shall be deemed to mean the Secretary of the Treasury in the case of the application of the provisions of this title or of title VIII of the National Housing Act, as amended by the Housing Amendments of 1955, for the benefit of the United States Coast Guard.

"(b) Wherever the term 'armed services' appears in this title it shall be deemed to include the United States Coast Guard."

The PRESIDING OFFICER. Do both Senators yield back the remainder of their time?

Mr. BUSH. I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time.

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

The amendment was agreed to.

Mr. BUSH. Mr. President, I send another amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 14, immediately after line 8 it is proposed to insert the following as a new subsection (g) of section 108:

Notwithstanding the provisions of any other law, the Housing and Home Finance Administrator is authorized to sell and convey all right, title, and interest of the United States (including any off-site easements) at fair market value as determined by him, in and to war housing project CONN–6028, known as Welles Village, containing 199 Lanham Act housing dwelling units on approximately 34½ acres of land in Glastonbury, Conn., to the housing authority of the town of Glastonbury, Conn., subject to the approval of the legislative body of the town of Glastonbury, for use in providing moderate rental housing. Any sale pursuant to this section shall be on such terms and conditions as the Administrator shall determine: *Provided*, That full payment to the United States shall be required within a period of not to exceed 30 years with interest on the unpaid balance at not to exceed 5 percent per annum: *Provided further*, That the provisions of this subsection shall be effective only during the period ending 12 months after the date of approval of this act.

Mr. BUSH. Mr. President, the amendment is similar to an amendment which was added to the Housing Act of 1954 with respect to the town of Wethersfield, Conn. The amendment would give the Administrator the power to sell the 199 dwelling units in Welles Village to the town of Glastonbury Housing Authority, subject to the approval of the legislative body of that town; and provided further, that it is done within a period of 12 months. The amendment, in substance, is similar to Senate bill 200.

I ask unanimous consent that a letter from the Administrator of the Housing and Home Finance Agency in regard to the bill be printed in the RECORD at this point in my remarks.

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

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., June 6, 1955.

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.

DEAR SENATOR BUSH: You have asked for my further suggestions in the light of comments from your constituents in Glastonbury on my letter to Senator FULBRIGHT, dated April 19, which commented on S. 200, which would authorize the sale of war housing project CONN–6028 to the Glastonbury Housing Authority for use in providing moderate rental housing.

We had suggested in that letter that a proviso be added that, at the time of sale, the Housing Authority of the Town of Glastonbury be authorized to acquire the project and to operate it for moderate rental housing. We also suggested that a cutoff date of 6 months be established so that we would be free to dispose of the project under the usual procedures after a measurable period of time. Your constituents object to the first suggestion because it might raise a question of statutory interpretation as to the existing State statutes and possible amendments thereto in relation to S. 200. They object to the time limit as not sufficient to permit consultation with all the local governmental agencies of Glastonbury involved, and because it will take considerable time for the Federal Government to get its appraisal and start negotiations.

As to the first objection, it is recognized that if the housing authority is not authorized under the laws of the State of Connecticut to purchase the project at the time of sale, no contract could be entered into between this Agency and the housing authority for conveyance of the project. It is, of course, not essential that this proviso relating to legal authorization to purchase be included in the bill. It was suggested only because of the introduction of legislation in the Connecticut Legislature which, if enacted, would prohibit this purchase by the housing authority. We would have no objection to not including our suggested proviso.

As to the objection to a definite time limit, we are still convinced that some specific limit should be inserted in the bill, otherwise the Government will be left waiting indefinitely without power to dispose of the project by the usual means. It seems to us that a period of 6 months should allow sufficient time to complete the details of any sale and allow for local determination, particularly since the legislation is being proposed and sponsored by the locality and is not an administration measure. The request for additional time and the seeming lack of definite plans for the financing of this project, coupled with the apparent objection from some local interests, is called to your attention because of the strict limitations budgetwise which have been placed on us in our appropriation and the urgent need which we have to dispose of our properties expeditiously in order to live within these limitations. We know that you will be appreciative of this problem of ours and will look fully into the possibilities of whether this legislation will unduly delay our disposition program. We can assure you that the Federal Government will have its appraisal and will be ready to negotiate within a few months after the bill is approved, and the local consultations do not have to wait for the appraisal and negotiations.

Your correspondence includes a statement by the Board of Selectmen of Glastonbury that all local groups involved in this matter have agreed that the following language be inserted after the phrase "Housing Authority of the Town of Glastonbury, Conn.":

"Subject to the approval of the Glastonbury town meeting, or the legislative body succeeding to the powers of the town meeting under a change in the form of government, and to such conditions and directives as to resale as may be imposed by said town meeting or legislative body."

This proposal gives us grave concern. We have no authority for policing a project after a sale has been consummated. The enactment of the language proposed by the local groups would charge this Agency with having to assure that any resale of the project is made in accordance with the conditions and directives of the local governing body. It is believed that this proposed amendment is one which should properly be for consideration by the State legislature and not by the Congress. There would be no objection, however, to the inclusion of a provision in the pending measure which would require approval of the sale by the local governing body. The local governing body could condition its approval in any manner it deems appropriate, if the conditions imposed would not place on the Federal Government any responsibility for their enforcement or would not adversely affect the interests of the Federal Government.

Sincerely yours,

AL COLE,
Administrator.

Mr. BUSH. Mr. President, I am prepared to yield back the remainder of my time.

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

Mr. BUSH. I yield.

Mr. ELLENDER. Does the Senator know what the project in its entirety cost?

Mr. BUSH. I do not have the figure in mind at the present time.

Mr. ELLENDER. Does the Senator have any idea how much, percentagewise, of the entire cost the Government will obtain?

Mr. BUSH. I have no idea what the Administrator will get for it.

Mr. ELLENDER. Have any firm offers been made?

Mr. BUSH. The price will be subject to negotiation between the Administrator and the town of Glastonbury. The property must be sold at fair market value. I have no information concerning what price may be obtained for it.

Mr. ELLENDER. Are the units to be sold separately?

Mr. BUSH. No; they would be sold en bloc to the town housing authority.

Mr. ELLENDER. In other words, the mortgagor, that is, the one responsible for the debt, regardless of what the debt might be, would be the municipality.

Mr. BUSH. The Senator is correct.

Mr. ELLENDER. Or the municipal housing authority created for the purpose of purchasing the housing.

Mr. BUSH. The Senator is correct. It would be the housing authority of the town.

Mr. SPARKMAN. Mr. President, may I ask the Senator a few questions?

Mr. BUSH. I yield.

Mr. SPARKMAN. The Senator from Connecticut discussed the proposal with me and told me he had received the letter which has been printed in the RECORD. This is the first time I have seen the letter. In order that it may be

a matter of record and so as to develop the situation in the RECORD, I should like to ask a few questions. Is there involved any question of veterans preference or priorities of any kind? I have not had time to read the letter in full. That subject may be discussed in the letter.

Mr. BUSH. I believe it is the intention of the housing authority to use these houses to supply the shortage of moderate rental housing in that area. I do not believe there is anything in the transaction which would give veterans a preference, but I believe the housing authority would do so.

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

Mr. BUSH. I yield.

Mr. CAPEHART. I discussed the subject with the Senator from Connecticut. I thought we should agree to take the amendment to conference. The details can always be worked out in conference. There is no question about the principle involved, because the Government wants to sell these houses. Certainly it wants to dispose of them. Of course, the sale should follow the usual procedure, by having them first offered to veterans, and so forth.

Mr. SPARKMAN. Mr. President, I should like to say to the able Senator from Indiana that I agree with him completely that that is the attitude we have taken in committee. However, the Senator will recall that with respect to every other project we have had before us we have always held hearings and we have made a record. There is no record on this project. It may be well to have a few remarks on it in the RECORD.

Mr. CAPEHART. I agree.

Mr. SPARKMAN. It may be that I have not fully understood the nature of the amendment.

Mr. CAPEHART. It seems to me we should take the amendment to conference, with the understanding that if there is any detail we do not understand it may be discussed and straightened out.

Mr. SPARKMAN. Of course, if the House should adopt the same language, the conferees would have no right to go into the matter further.

Mr. CAPEHART. That is correct, but I understand the House is still holding hearings on the subject.

Mr. SPARKMAN. May I ask the Senator from Connecticut if I understand correctly that the houses involved are to be sold as a bloc, not individually?

Mr. BUSH. They are to be sold by the Government en bloc to the housing authority, if that action is approved by the legislative body of the town. Disposition of the units would then be the responsibility of the town, not the Federal Government.

Mr. SPARKMAN. It would not be a question, then, of demolition. In other words, they are still usable houses. Is that correct?

Mr. BUSH. The Senator is correct. I may say the town needs these properties for moderate rental housing. I visited the development. It is a very beautiful little development. It would be used for moderate rental housing.

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

Mr. BUSH. I yield.

Mr. DOUGLAS. Does the Senator from Connecticut understand that the Housing and Home Finance Agency has written to the chairman of the Committee on Banking and Currency regarding this matter?

Mr. BUSH. I am sorry; I did not hear the Senator.

Mr. DOUGLAS. Does the Senator understand that the Housing and Home Finance Agency has made comment about this proposal in a letter written to the chairman of the Committee on Banking and Currency?

Mr. BUSH. I did not so understand. I received a letter from the administrator.

Mr. DOUGLAS. Would the Senator be willing to read it for the benefit of the Senate?

Mr. BUSH. I offered the letter for the RECORD.

Mr. DOUGLAS. I have not seen it. I wonder if it would be acceptable to have the Senator from Connecticut read the letter, or have the chairman of the committee read it.

Mr. BUSH. I have no particular interest in reading the letter. I am sure the Senator understands the situation. If the Senator from Illinois wishes to read the letter, he may obtain it from the Senator from Arkansas [Mr. FULBRIGHT], who has it in his hand.

Mr. FULBRIGHT. I have the original letter addressed to the Senator from Connecticut. It is not a long letter. I shall be glad to read it.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Senator from Arkansas be authorized to read the letter.

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

Mr. FULBRIGHT. The letter is dated June 6, 1955, and it is addressed to the Senator from Connecticut [Mr. BUSH]. It reads as follows:

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., June 6, 1955.

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.

DEAR SENATOR BUSH: You have asked for my further suggestions in the light of comments from your constituents in Glastonbury on my letter to Senator FULBRIGHT, dated April 19, which commented on S. 200, which would authorize the sale of war housing project CONN–6028 to the Glastonbury Housing Authority for use in providing moderate rental housing.

We had suggested in that letter that a proviso be added that, at the time of sale, the Housing Authority of the Town of Glastonbury be authorized to acquire the project and to operate it for moderate rental housing. We also suggested that a cutoff date of 6 months be established so that we would be free to dispose of the project under the usual procedures after a measurable period of time. Your constituents object to the first suggestion because it might raise a question of statutory interpretation as to the existing State statutes and possible amendments thereto in relation to S. 200. They object to the time limit as not sufficient to permit consultation with all the local governmental agencies of Glastonbury involved, and because it will take considerable time for the Federal Government to get its appraisal and start negotiations.

As to the first objection, it is recognized that if the housing authority is not authorized under the laws of the State of Connecticut to purchase the project at the time of sale, no contract could be entered into between this Agency and the housing authority for conveyance of the project. It is, of course, not essential that this proviso relating to legal authorization to purchase be included in the bill. It was suggested only because of the introduction of legislation in the Connecticut Legislature which, if enacted, would prohibit this purchase by the housing authority. We would have no objection to not including our suggested proviso.

As to the objection to a definite time limit, we are still convinced that some specific limit should be inserted in the bill, otherwise the Government will be left waiting indefinitely without power to dispose of the project by the usual means. It seems to us that a period of 6 months should allow sufficient time to complete the details of any sale and allow for local determination, particularly since the legislation is being proposed and sponsored by the locality and is not an administration measure. The request for additional time and the seeming lack of definite plans for the financing of this project, coupled with the apparent objection from some local interests, is called to your attention because of the strict limitations budgetwise which have been placed on us in our appropriation and the urgent need which we have to dispose of our properties expeditiously in order to live within these limitations. We know that you will be appreciative of this problem of ours and will look fully into the possibilities of whether this legislation will unduly delay our disposition program. We can assure you that the Federal Government will have its appraisal and will be ready to negotiate within a few months after the bill is approved, and the local consultations do not have to wait for the appraisal and negotiations.

Your correspondence includes a statement by the Board of Selectmen of Glastonbury that all local groups involved in this matter have agreed that the following language be inserted after the phrase "Housing Authority of the Town of Glastonbury, Conn.":

"Subject to the approval of the Glastonbury town meeting, or the legislative body succeeding to the powers of the town meeting under a change in the form of government, and to such conditions and directives as to resale as may be imposed by said town meeting or legislative body."

This proposal gives us grave concern. We have no authority for policing a project after a sale has been consummated. The enactment of the language proposed by the local groups would charge this Agency with having to assure that any resale of the project is made in accordance with the conditions and directives of the local governing body. It is believed that this proposed amendment is one which should properly be for consideration by the State legislature and not by the Congress. There would be no objection, however, to the inclusion of a provision in the pending measure which would require approval of the sale by the local governing body. The local governing body could condition its approval in any manner it deems appropriate, if the conditions imposed would not place on the Federal Government any responsibility for their enforcement or would not adversely affect the interests of the Federal Government.

Sincerely yours,

AL COLE,
Administrator.

Mr. DOUGLAS. Mr. President, will the Senator from Connecticut yield to me for a question?

Mr. BUSH. I yield.

Mr. DOUGLAS. Will the Senator infrom this body whether the objections raised by the Housing and Home Finance

Agency in their letter of June 6 are met by the amendment of the Senator?

Mr. BUSH. They are met entirely, with the exception of the 6 months' period. We have made it 12 months instead of 6 months, so as to allow a little more time. Otherwise, the objections have been fully met.

Mr. DOUGLAS. Has the Housing Authority of Glastonbury been authorized under the laws of the State of Connecticut?

Mr. BUSH. Yes.

Mr DOUGLAS. Has the proper enabling legislation been introduced in the Legislature of Connecticut?

Mr. BUSH. It is on the statute books. I cannot tell the Senator how grateful I am for his deep interest in our problem.

Mr. DOUGLAS. Has the consent of the local governing board of the town of Glastonbury been obtained?

Mr. BUSH. It would not have to be obtained until the amendment is agreed to. The Senator will wear that copy out. I wish he would send it to the desk.

Mr. DOUGLAS. Mr. Cole says that the proposal that the amendment be subject to the approval of the Glastonbury town meeting gives him grave concern.

Mr. BUSH. The Senator is mistaken. The thing which gave him concern is not in the amendment. He has no concern about it now, at all.

I greatly appreciate the Senator's assistance in bringing out the merits of the case.

Mr. President, I yield back the remainder of my time.

SEVERAL SENATORS. Vote! Vote!

Mr. SPARKMAN. Mr. President, so far as I am concerned, I am perfectly willing to take this amendment to conference. It seems to me that the Senator from Connecticut has made a very satisfactory showing of full compliance with the suggestions of the Housing Agency.

While it is always better to explore these matters in full hearings, when we have plenty of time to go into them in detail, I think what has been done on the floor of the Senate this afternoon is satisfactory, and I am perfectly willing to take the amendment to conference.

Mr. BUSH. I thank the Senator from Alabama.

The PRESIDING OFFICER. Does the Senator from Alabama, acting for the Senator from Texas, yield back his time?

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum, the time to be taken out of the time allotted to our side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

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

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. How much time remains to each side on the amendment?

The PRESIDING OFFICER. The Senator from Connecticut has 51 minutes; the Senator from Texas has 49 minutes.

Mr. JOHNSON of Texas. How much time remains on the bill?

The PRESIDING OFFICER. The Senator from Texas has 36 minutes; the Senator from California has 52 minutes.

CHANGES IN THE ADMINISTRATION OF THE PANAMA CANAL COMPANY

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Washinton 15 minutes on the amendment.

Mr. FLANDERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FLANDERS. Which amendment is before the Senate?

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut [Mr. BUSH].

Mr. MAGNUSON. I wish to say to the Senator from Vermont that I am not speaking on an amendment to the pending bill. I am speaking about a bill which I am about to introduce, on which I was going to consume some of the time of the Senate today. To be frank, I know of no better time to do it than now.

Mr. President, I am today introducing a bill which I think is long overdue, and which relates to a matter which has been the subject of a great deal of discussion in our committee for the past 12 and perhaps almost 15 years. It deals with the problem of the Panama Canal, its toll system, and its formula for Government operation.

Under Public Law 841, which was passed during the 81st Congress, 2d session, because of problems growing out of the operation of the canal, the entire operation of the Panama Canal Zone was reorganized, and corporate standards were introduced for the first time. During the hearings leading up to its passage, particular attention was given to the policies then followed by the management of the canal, policies which appeared to place upon the commercial tolls payer an inordinate burden of expenses not directly involved with the transiting of vessels.

In passing Public Law 841, Congress made a clear distinction between the civil government and the canal itself. The old Panama Canal Agency was split into the Panama Canal Company and the Canal Zone Government. The Company was made responsible for the operation of the canal, and certain business-type services, such as the steamship line, terminal, railroad, marine bunkering, hotels, shipyards, powerplants, water system, telephone, printing plants; and such employee services as commissary, clubhouses, and housing.

The civil government was given the responsibility of administering the courts, immigration, and contraband control, school, police, postal service, fire department, roads and streets, customs, public buildings, libraries, sewage, as well as an extensive health and sanitary system, including a mental hospital, quarantine station, and a leprosy colony.

It was believed the 1950 legislation had made clear the congressional intent to clarify and segregate the financial obligation of the tolls payers from the financial obligations of the Government. But that intent has been misinterpreted or ignored in the annual accounting under the law. The tolls payer still is carrying more than his share of the load. Certain amendments to the Canal Zone Code have been prepared which it is hoped will so completely clarify Federal and commercial responsibility at the Panama Canal as to eliminate further administrative disregard of the intent of Public Law 841.

Stated briefly, the bill would do the following:

First. It would adopt the principle of the St. Lawrence Seaway to the Panama Canal, under the general jurisdiction of the Secretary of Commerce.

Second. It would clarify procedures for setting tolls, permit judicial review of tolls decisions, and require frequent review of the toll rates. In addition, it would specify the extent to which tolls revenues, as compared with total company revenues, are to bear the net costs of civil government.

It is not the intent, nor should this bill be so construed, to indicate any denial of the rightful area for military jurisdiction at the Canal Zone. The proposed legislation does not disturb in any way, nor diminish, the extent of strategic control or tactical defense of the Canal Zone. It simply gives expression to the view that the transiting of vessels through the Panama Canal is a business-type function which properly resides in the hands of civilian-type management.

The proposed legislation does not depart from the present statute as regards tolls rates. Its passage would not automatically bring about a tolls reduction. It would, however, pledge to the tolls payer the equity in financial matters which Congress intended in passage of Public Law 841, and which has not been administratively accomplished to date.

Without exception, the proposals contained in the proposed legislation are consistent with recommendations made by the Comptroller General in his 1952, 1953, and 1954 Audit Reports of the Panama Canal.

The provisions of the bill are in accord likewise with the recommendations stemming from the study of the organization and operations of the Panama Canal enterprise, made by the Bureau of the Budget in 1950, at the direction of President Truman. Most of the Budget Bureau's recommendations were ultimately embodied in Public Law 841, 81st Congress, which this bill would supplement and clarify.

Following that 1950 study, the Bureau of the Budget advised the President that responsibility for supervision of the Panama Canal enterprise should be transferred from the Secretary of the Army to the Secretary of Commerce.

However, while approving the other findings of the Budget Bureau study, President Truman withheld approval of this transfer pending further study of the proposal.

As disclosed by the Comptroller General's audit reports on the functioning of the canal operation since Public Law 841 went into effect in 1951, it would seem to be clearly evident that transfer of canal responsibility to the Secretary of Commerce is a must if the will of Congress, as expressed in Public Law 841, 81st Congress, is to be properly interpreted and implemented.

I sincerely hope Members will give full consideration to this bill, in the light of the facts I have cited.

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

Mr. MAGNUSON. I yield.

Mr. ELLENDER. A few of us who serve on the subcommittee of the Committee on Appropriations which deals with funds for the operation of the Panama Canal have been attempting to secure the enactment of legislation which would make it possible to charge tolls which would be sufficient to amortize not only the cost of gates and other depreciable items used in connection with the canal, but also the actual construction of the canal channel itself. I am wondering if the Senator is covering that feature in the proposed legislation—that is, to provide the necessary machinery so that tolls can be increased sufficiently to pay for the entire cost of the canal.

Mr. MAGNUSON. I am familiar with what the Senate Appropriations Committee has been trying to do and with what the Senate Committee on Interstate and Foreign Commerce has been trying to do, and with what is sought to be done by means of Senate bill 841.

The shipping firms using the canal have no objection to paying their just share of the cost of the commercial operation of the canal. However, there are vast military obligations. In the past, an attempt has been made, under the old two-company system, to have the tolls established at such rates that the commercial users of the canal, whose ships come from the gulf coast and from the west coast, would begin to pay the cost of the defense and military operation of the canal, which is great.

All we suggest is that a division be made. Once that is done, and once the commercial operations can be determined by means of bookkeeping and audits, of course, the tolls charged should be consistent with the cost of the commercial operation of the canal. But no such division has been made.

For instance, a few weeks ago the Department of Defense proposed to purchase more land from the Government of Panama. Naturally, Panama wishes to be paid for the land. The land would be used solely for the purpose of enlarging our defenses of the canal. But it was proposed that the tolls and profits, if any, of the Panama Canal Company pay for the additional land, which will be used purely for defense functions.

The Panama Canal Company has been operating many services, which in large part are used by the military. We are trying to have a division made, so that the Government operations for the defense of the canal will be handled under one audit, and the commercial use of the canal will be handled under another audit. That would be done without regard to either raising or lowering the tolls.

Mr. ELLENDER. Mr. President, I suggest to the Senator from Washington that the tolls have not been changed since 1938. The only expenses actually paid out of the tolls are those incident to the operation of the canal and the depreciation of such items as the locks and the buildings and other facilities erected and used in connection with operation of the canal.

Mr. JOHNSON of Texas. Mr. President, I must leave the Chamber for a few minutes. I yield 10 additional minutes to the Senator from Washington.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Washington is recognized for 10 more minutes.

Mr. ELLENDER. Mr. President——

Mr. MAGNUSON. I yield further to the Senator from Louisiana.

Mr. ELLENDER. Let me state that although the cost of digging the canal amounted to $286 million, not one cent of that amount has been repaid to the Treasury of the United States. That is not considered depreciable, and is not repayable under existing law.

From the reading I have done, it is my recollection that when the canal was built, approximately 50 years ago, there was an understanding that the tolls would be set high enough not only to pay the cost of operation and the cost of all depreciable items, but also the actual cost of the digging of the canal, whereas up to the present time not one cent of the cost of the digging has been repaid.

Does not the Senator from Washington think provision should be made so that the tolls charged would be sufficient not only to pay the cost of operation and to pay for the depreciable items, but also to pay for the actual cost of digging the canal?

Mr. MAGNUSON. I still contend that the commercial interests should pay their share, on a pro rata basis, of the cost of operating the canal. Certainly they should pay for their use of the canal, which was built not only for commercial purposes, but also for defense purposes. In fact, literally thousands of Government vessels transit the canal free of charge.

Mr. ELLENDER. But under the new arrangement, such vessels pay the same tolls as those paid by other vessels.

Mr. MAGNUSON. That is a bookkeeping transaction; the Government vessels reimburse the Canal Company from the appropriations the Congress makes for those governmental agencies.

Mr. ELLENDER. But the Canal Company receives that much additional revenue.

Mr. MAGNUSON. However, we try to allocate the costs under the capital investment. The capital investment belongs to the Department of Defense.

Mr. ELLENDER. Mr. President, I ask my friend, the Senator from Washington, when he considers this bill, to take into consideration the studies which were made by some of us who served on the committees which made on-the-spot inspections of the canal and the suggestions which have been made by some of the past administrators of this facility.

I am very anxious that the Senator from Washington give consideration to a proposal whereby the tolls will be increased until they are sufficient to pay all the actual cost of constructing the canal. I know that was the intention of those who fostered the original legislation, away back in 1902, or perhaps it was earlier than that. I believe it would be appropriate, in connection with the consideration of this bill, that attention be given to the proposal to provide sufficient funds to retire the entire cost of construction.

Mr. MAGNUSON. Mr. President, I have all the figures before me. Last year the canal tolls were $31,973,000. The credit for United States Government vessels was $5,500,000, or quite a large percentage. The sale of commodities amounted to $25 million. The sale of services—to which I have previously referred; for instance, a railroad and a hospital are operated—amounted to $22 million.

As a matter of fact, the Canal Company apparently is making, according to these figures, revenues of almost $50 million on services and the sale of commodities. The rental of quarters amounts to another $2 million. The total is almost $53 million. Only $32 million comes from the tolls. The total revenue is $88 million.

The net income before interest was approximately $13 million; but interest in the amount of approximately $6,600,000 was paid, last year, to the United States Treasury. The figure I have stated does not include the bookkeeping account of the transfer made for the use of the canal by Government vessels.

The net income for the year, as tentatively stated, is approximately $7,200,000.

Mr. FULBRIGHT. Is that before or after depreciation?

Mr. MAGNUSON. It is after depreciation.

The general administrative expenses totaled 24 percent; the net operating expenses before intracompany costs and distribution of sales to the zone government totaled 20 percent; and the net operating costs or expenses were 25 percent—or a total of 94 percent. So apparently a 6-percent profit is being made.

Mr. ELLENDER. Six percent of what?

Mr. MAGNUSON. Six percent of the cost of operation. But interest in the amount of approximately $6,600,000 was paid to the United States Treasury.

Mr. ELLENDER. Mr. President, I desire to point out that an interest charge is made on the cost of the canal to which

I have been referring, namely, the cost which is not being repaid to the Treasury. The interest charge is not only on the investment in depreciable items, but also on the cost of constructing the canal. It does not include interest accrued during construction, which is considered a defense cost.

Mr. MAGNUSON. Yes, and last year the interest charge was $6,668,000, or approximately 9 percent on a gross revenue of approximately $88,600,000.

The Senator from Louisiana is correct. I think we ought to have this information in the RECORD. The book value of lands, titles, and treaty rights is $14,803,000. There is no depreciation on that item. The figure representing the building of the canal, including fills and embankments, totals $236,026,000, and that is depreciated every year by approximately $2,800,000, leaving, under the new system, a net of $233 million under the head of valuation.

The canal locks and appurtenances cost $85 million, and those are depreciated to the tune of $34 million. The figure for vessels, such as tugs, and other floating plants, is $14 million, and that item is being depreciated pretty fast. Buildings and shipyard structures show a balance of $7,749,083. The total valuation of everything is $358,825,010. The accumulated depreciation as of June 30, 1953, on $358 million plus, is $50 million, in round figures, leaving more than $300 million yet to be depreciated. So the Senator's figure is somewhat conservative.

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

Mr. MAGNUSON. I yield.

Mr. ELLENDER. I suggest to my friend that the statement be placed in the RECORD, because I think the testimony which was taken by our committee only last week showed that no depreciation is now being taken on that part of the cost of the canal representing excavation. The only portion of the cost which is being depreciated is the cost of the buildings which are occupied by those who are connected with the canal—the locks, as well as hospitals, and other facilities built on the site of the canal, and which are used in its operation.

So far as the actual cost of excavation is concerned, my recollection is that no depreciation is taken from that figure. However, I wish to reiterate that the Government is receiving interest at the going rate on the actual cost of excavation. My recollection is that that amount was $286 million.

Mr. MAGNUSON. I think what the Senator means is that prior to this discussion there was no depreciation on the figure representing the cost of the actual digging of the ditch. There was depreciation on the locks.

Mr. ELLENDER. That is correct.

Mr. MAGNUSON. They were depreciated from $85 million to $34 million. Also there was depreciation on vessels and on buildings. But the cost of the actual digging of the ditch has been depreciated so far by only $3 million. The total depreciation, on the total value, is still about $50 million.

The purpose of what we are trying to do is to audit these accounts, as the Comptroller General has suggested. That is provided for in the law. I am sure the Senator voted for that provision, which would enable us to differentiate between defense items and commercial items. No commercial shipper, whether he flies the American flag or any other flag, can reasonably object to paying an equitable share of the tolls, in order to defray the cost of operating the canal from the commercial standpoint.

But the commercial features have been confused with the defense features, and with business features, including the old Panama Railroad, which I understand should probably be abandoned. It is not being used any more except for sightseers. The accounts should be placed on such a basis that it will be possible to determine commercial worth, depreciation, and value.

After such a determination has been made, the commercial costs can be taken care of tollwise, and the Defense Department can take care of its share. The Government would pay its fair share, which is something new. I think Government ships have heretofore gone through the canal free. The Defense agencies should pay their fair share to the Panama Canal Company out of their budgets, in the form of regular tolls. That is the purpose of the proposed legislation.

Mr. President, I have quoted certain figures. Some of the figures were taken from the Panama Canal Company's second annual report to Congress.

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

Mr. MAGNUSON. Mr. President, will the Senator from Texas yield me 5 additional minutes?

Mr. JOHNSON of Texas. I shall be glad to yield in a moment.

Mr. President, the distinguished Senator from Indiana [Mr. CAPEHART] and the distinguished Senator from Alabama [Mr. SPARKMAN] would like to have considered at this time an amendment to be offered by the Senator from California [Mr. KUCHEL]. How much time does the Senator from California think will be required to explain the amendment?

Mr. KUCHEL. Not more than 1 or 2 minutes.

Mr. JOHNSON of Texas. I yield 5 additional minutes to the Senator from Washington.

Mr. MAGNUSON. As I previously stated, I have quoted certain figures for the RECORD. The Senator from Louisiana [Mr. ELLENDER], who is a member of the Committee on Appropriations, has stated certain figures from memory.

The source of some of the figures which I quoted is the Panama Canal Company's second annual report of 1953.

Certain other figures were compiled by the Association of American Shipowners, and they are necessarily to be interpreted in that light.

The Senator from Louisiana may have some of those figures, but for the purpose of the record, I shall ask permission to have printed in the RECORD the May 1955, issue of Shipping Survey, published by the Association of American Shipowners. The statement, under the heading "Panama Canal Tolls Formula Applied," points out the necessity for this type of legislation. I think the figures therein will be of interest not only to Senators generally, but particularly to members of the Committee on Appropriations, including the Senator from Louisiana and myself.

There is clearly a question of depreciation for the initial cost of the canal. The Senator from Arkansas asked me informally what it costs to take a ship through the Panama Canal. The average cost is about $2,800 to $3,000 for each transit of a typical 10,000-ton dry cargo ship. Then the Senator from Arkansas asked me how much it would cost for a ship to go around Cape Horn. I should say that the cost would be considerable, because on a comparable 10,000-ton ship flying the American flag the cost to make the run around the Horn would run as high as $4,200 a day.

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

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. How many days does it take for a ship to go around South America?

Mr. MAGNUSON. For an 18-knot ship—and I shall have to figure this faster than I ordinarily can in my head—it would take many many days.

Mr. FULBRIGHT. Would it take 30 days?

Mr. MAGNUSON. It would not take 30 days, but it would take between 15 and 20 days to make the trip around Cape Horn.

Mr. FULBRIGHT. How long does it take to go through the canal? Is is about 1 day?

Mr. MAGNUSON. The time cannot be computed in just that way, because it is necessary for the ship to go into the canal, and then there is the time of transit through the canal. It could probably be done within a 24-hour period or a 12-hour period in most cases, so far as the transit through the canal is concerned. Then the ship would have to move out of the canal.

I have hoped for some years that we would build another canal, through Nicaragua. That proposal is a very feasible one. In consonance with what the Senator from Arkansas points out, if something should happen to the Panama Canal and to the Suez Canal, we would not have available sufficient tonnage to fight any kind of war in the remote areas of Asia.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that at the conclusion of the Senator's 5 minutes, consideration of the Capehart amendment be temporarily suspended in order that the Senate may consider the Kuchel amendment and the Byrd amendment, and any other amendments to the housing bill which are noncontroversial.

The PRESIDING OFFICER. The Chair advises the Senator that the pending question is on the amendment of the Senator from Connecticut [Mr. BUSH].

Mr. JOHNSON of Texas. I have asked for unanimous consent that the Senate may consider the amendments I have mentioned. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, in view of the last unanimous-consent request, I believe that perhaps I have said enough today on the bill.

Mr. President, I now introduce the bill and ask for its appropriate reference. I ask unanimous consent that the matter to which I have referred be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the matter referred to by the Senator from Washington will be printed in the RECORD.

The bill (S. 2167) to make certain changes in the administration of the Panama Canal Company, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The matter presented by Mr. MAGNUSON is as follows:

PANAMA CANAL TOLLS FORMULA APPLIED—ESTIMATES INDICATE DELAY IN APPLYING LAW RESULTS IN SUBSTANTIAL OVERPAYMENTS BY SHIPPING

The formula prescribed by Congress for use in fixing toll rates for transiting the Panama Canal directs the Panama Canal Company to establish a rate which will cover (a) "all costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including interest and depreciation" and (b) an appropriate share of the net costs of operation of the Canal Zone Government. Thus the formula appears to be both simple and businesslike.

Despite the fact that this statutory formula was enacted in June 1950, the Panama Canal Company seems to have made no effort to apply it. Instead, the old arbitrary rate of 90 cents a laden ton has been continued in force. But the apparent unwillingness of Company officials to do what Congress has so clearly intended of them has naturally prompted study to discover what approximate level of toll charges could reasonably be expected to result from an objective and conscientious application of the statutory formula.

HISTORY OF THE COMPANY

The Panama Canal Company is a successor to the former Panama Railroad Company, which was incorporated in New York in 1849. The Railroad Company operated a number of commercial enterprises in or in connection with the Canal Zone, such as the railroad, a steamship line, commissaries, hotels, laundries, manufacturing plants, a telephone system, and the like. But the Railroad Company never owned or operated the canal itself. From 1914 to 1951 the canal was operated by the independent agency of the United States known as the Panama Canal. The same agency operated the zone government and several other commercial businesses, such as fueling stations and ship-repair yards.

In 1948 the Corporation gave up its New York charter and was reincorporated under Federal laws. As required by statute, the reincorporated Company (which retained the name Panama Railroad Company) was obliged annually to pay interest to the United States Treasury "on the net direct investment of the Government in the corporation." It is important to bear in mind that at this point the Corporation did not own the canal. In general, the net direct investment referred to in the statute included the following: (a) $1 (being the arbitrary and nominal amount assigned to the assets inherited from the New York corporation), (b) the value of subsequent property additions to the Railroad Company properties, and (c) the value of properties later transferred to it from other agencies.

In 1950 the law was amended to change the name of the company to the Panama Canal Company and to authorize the transfer to the Company of the following two classes of assets owned until that time by the Panama Canal Agency: (1) the Canal, together with related facilities and appurtenances, and (2) facilities and appurtenances authorized to be operated by the Agency under section 51 of the Panama Canal Code. These section 51 assets included a great number of commercial operations, including docks, wharves, salvage and towing facilities, dredging facilities and the power system.

One year later the old Panama Canal Agency was dissolved. Such of its properties as related to governmental functions were transferred to the Canal Zone Government and the Canal and the section 51 commercial assets were transferred to the Company.

The transfer to the Canal Company of the Canal and the section 51 assets served to increase the net direct investment of the government in that corporation. Consequently, and in accordance with the 1948 act, the Canal Company, as it was now known, became obligated to pay interest to the extent earned on a substantially larger investment. But just how much larger the investment and the interest obligation became remained to be determined on the basis of standards that are set forth in the statute and that will be considered shortly.

At this point it may be well to note that the law uses the term interest in two different places. First, under the law as enacted in 1948 the Company is told to pay interest to the extent earned on the government's net direct investment in the Company, and this investment now comprises the following classes of property:

1. The original railroad company properties (valued at $1);

2. Subsequent additions to the railroad company properties;

3. Properties relating to section 51 commercial operations transferred from the Canal Agency in 1951 (not yet valued); and

4. The canal and its facilities and appurtenances related thereto transferred from the Canal Agency in 1951 (not yet valued).

The 1950 law, after directing the transfer of the canal and the section 51 properties to the Railroad Company, then prescribed the tolls formula. It required that tolls be adequate to cover, among other expenses, "interest" on the canal.

Notwithstanding general agreement among the lawyers who represent both the Government and industry that interest in the toll formula was not intended to be the same as the preexisting interest obligation applicable to all the Company's enterprises, its management now takes what appears to be a conflicting, arbitrary, and illegal position. Actual Canal Company policy seems to be that, irrespective of the law, canal tolls must be made to cover losses on various commercial operations that Congress intended to exclude from tolls calculations.

TOLLS SUPPLY 94 PER CENT OF OPERATING INCOME

How the Company's affairs are handled is demonstrated in its last published income statement for fiscal 1953, which is reprinted in table I. The statement seems to require the following observations:

1. On the basis of its own figures, the Company made $7.2 million, which indicates that tolls exceeded the statutory formula by 18 cents, or 25 percent.

2. Although the Company lists its operating revenue and expenses under four separate categories, it fails to allocate among them zone government expenses or interest charges.

3. The canal's revenue, expenses, and net income are not separately accounted for but are combined with "related marine operations" which include docks, towing, salvage, and other operations.

4. The volume of the canal and marine operations compares with overall Company operations as follows:

	Total	Canal and related marine operations	Percent of total
General and administrative expenses	$2,745,327	$660,932	24
Net operating expenses (before intracompany cost distribution and sales to Zone Government)	81,915,989	16,256,503	20
Net operating expenses	63,112,041	16,040,378	25

(These percentages approximate the 27 percent ratio that the number of canal employees bears to the total of commercial employees and canal employees.)

5. The relative contribution of canal operations to total Company operating income is indicated by the following:

Operating income:	
Total	$25,541,727
Canal and related marine operations	$23,998,376
Percent of total	94

These figures point to one rather definite conclusion. Canal and marine operations represent only 25 percent of the volume of the Company's business, yet they are made to return 94 percent of the operating income. Other Company operations represent 75 percent of the volume and are made to return only 6 percent of the operating income. Prices established for transiting the canal must be high, indeed, when compared with the Company's prices for other commercial sales and services.

Because the Canal Company has not disclosed information that is essential to have in the computation of a definitive toll rate, all that can be done is to explore what rate would result on the basis of the data at hand. That can rather easily be done, but it should be remembered that a rate computed objectively and conscientiously by applying the statutory formula to the actual but undisclosed figures would in all probability be lower than the one that results from the calculations that are discussed below.

At the outset it should be pointed out that a proper computation of the toll rate requires the "related marine operations" to be extracted from the figures in table I in the column "Canal and related marine operations." We note in that table that revenues from "Related marine operations" amounted to only $2.5 million, but the expenses chargeable to those operations are not separately stated. If we assume that such expenses were about equal to the revenue, then the two would balance each other out and the "Operating income" figure of about $24 million would represent canal operations alone.

TABLE I.—*Panama Canal Company—Income statement, year ended June 30, 1953*

	Total	Canal and related marine operations	Auxiliary operations	Employee services	Other supporting services
Revenue:					
Canal tolls	$31,973,209	$31,973,209			
Credit for tolls on U. S. Government vessels	5,557,682	5,557,682			
Sales of commodities	25,972,408		$59,647	$22,811,773	$3,100,988
Sales of services	22,992,888	2,507,863	10,373,067	3,060,958	7,051,000
Rental of quarters	2,157,581			2,157,581	
Total revenue	88,653,768	40,038,754	10,432,714	28,030,312	10,151,988
Operating expenses:					
Direct expenses, including intracompany cost transfers	50,976,039	12,426,502	11,510,368	9,102,826	17,936,343
Cost of goods sold and transferred	22,167,495		50,568	19,724,962	2,391,965
Allowances for depreciation	4,719,964	1,846,569	935,557	856,301	1,081,537
General and administrative expenses, net of $81,705 revenue and of $585,421 allocated to Canal Zone Government	2,745,327	660,932	440,571	672,079	971,745
Accrual for overhauls of Canal locks	962,962	962,962			
Annuity to Republic of Panama	430,000	430,000			
Net proceeds from fixed assets retired	(104,266)	(70,462)		(23,633)	(10,171)
Net book value of fixed assets retired	18,468		347	7,447	10,674
	81,915,989	16,256,503	12,937,411	30,339,982	22,382,093
Less intracompany cost distributions and sales and services to Canal Zone Government	18,803,948	216,125	2,936,006	2,802,095	12,849,722
Net operating expenses	63,112,041	16,040,378	10,001,405	27,537,887	9,532,371
Operating income	25,541,727	23,998,376	431,309	492,425	619,617
General corporate charges, net:					
Net cost of Canal Zone Government (including abandoned capital projects written off, $1,139,273)	11,319,656				
Abandoned capital projects of the Company written off	269,703				
Maintenance of idle defense facilities	140,742				
Nonoperating credits and miscellaneous income	(58,232)	(Not separately allocated)			
Total	11,671,869				
Net income before interest	13,869,858				
Interest payable to U. S. Treasury	6,668,895				
Net income for year as tentatively stated	7,200,963				

Source: Panama Canal Company, Second Annual Report 1953, p. 49; H. R. Doc. No. 476, 83d Cong., 2d sess.

ALLOCATION OF ZONE COSTS

One of the charges allocable to tolls is an appropriate share of net zone government costs. The full reported net zone government costs run to $11.3 million. The statutory tolls formula requires that in determining what is appropriate, "substantial weight shall be given to the ratio of the estimated gross revenues from tolls to the estimated total gross revenues" of the Company. That ratio is to be adjusted on the basis of other considerations that are not important here because they have been weighed by the General Accounting Office in arriving at its finding referred to below. That finding is adopted for present purposes. It is interesting to note, however, that the report to the Senate Committee on Armed Services when considering the proposal for this formula in 1950 said:

"In addition to paying for the cost of operating and maintaining the canal, it is estimated that about 50 percent of the cost of the civil government would be supported by the tolls collected from transit revenues."

It seems clear that the $1.1 million included in the net zone government costs for the "abandoned capital projects written off" is a nonrecurring capital charge that cannot be fairly charged to the Company's income or to tolls. That leaves approximately $10 million of reported zone costs. The General Accounting Office has estimated that application of the revenue formula would result in an allocation of 63 percent of the net zone cost as a charge to tolls. The maximum therefore chageable to tolls by applying this formula would be $6.3 million. (This is without allowing for the fact that toll revenues are on their face higher in amount than can be legally justified. An appropriate reduction in toll revenues would lower the ratio of tolls to other revenues. This more equitable ratio would bring about a further reduction in the toll rate.)

INTEREST CHARGEABLE TO TOLLS

It is of course necessary that interest charges be properly allocated to tolls. This involves an identification of the properties comprising the canal and the facilities and appurtenances related thereto. And of course it also involves a valuation of those properties. Since properties that are depreciable have apparently already been identified and valued for purposes of depreciation, the only problem left would appear to be the identification and valuation of the so-called nondepreciable items that are to be included. These comprise land, titles, and treaty rights, and excavations and fills. Countless company reports have identified these items and have assigned book values to them, as indicated in table II. It is therefore difficult to understand why the interest allocation is being delayed.

The principal standard that the law says must be used in valuing properties transferred to the company is cost less depreciation. The law also provides, however, that due consideration should be given:

(a) to the cost and probable earning power of the transferred assets. (Since the earnings of the canal are controlled by the tolls formula, this requirement apparently relates to the commercial properties.)

(b) to usable value, if less than cost. (A number of properties in the property account, such as abandoned projects, have no usable value.)

In addition to the deduction from cost for depreciation, a further deduction is authorized for other reasonable determinable shrinkages in values.

Most important, however, is the provision of the statute specifically requiring that—

"There shall be excluded from such amount any portion of the value of the transferred property which is properly allocable to national defense."

The resulting valuation is then subject to approval by the Bureau of the Budget.

CANAL BOOK VALUES

The book values as of June 30, 1953, of the properties related to the canal are set forth in table II:

TABLE II.—*Book values of properties used in canal and related marine operations*

	Balances	Act of June 30, 1953, accumulated depreciation	Net
Land, titles and treaty rights	$14,803,929		$14,803,929
Canal excavations, fills and embankments	236,026,460	$2,808,491	233,217,969
Canal locks and appurtances	85,892,024	34,774,674	51,117,350
Vessels and other floating plant [1]	14,353,514	8,207,113	6,146,401
Buildings, other structures and equipment	7,749,083	3,594,379	4,154,704
Total	358,825,010	49,384,657	309,440,353

[1] Includes properties used in "related marine operations" that should be excluded for tolls purposes.

It is impossible from the published reports to know whether these book values reflect adequate provision for depreciation in prior years. That these values are, in any case, excessive is admitted in a footnote to the 1953 financial statement, which says that the values do not exclude $57 million of "major valuation adjustments."

Of the $309 million in book values, $238 million represents properties which have been classified as "nondepreciables." The Panama Canal Company is now sponsoring legislation which would make these so-called nondepreciables actually depreciable at the rate of 1 percent per year, but starting only with 1951. (The new St. Lawrence Seaway law requires depreciation at a rate of not less than 2 percent.) In constructing a toll rate, therefore, it may be necessary to make some provision for depreciation of these nondepreciables. But the Canal Company should be consistent. If depreciation on nondepreciables is to be included as an element of cost of current operation, it should also be included as a deduction from original cost in computing the valuation to be put on such property for purposes of determining what interest is to be covered by tolls charges. The way depreciation on nondepreciables would work is shown in columns C and D of the schedule of indicated toll rates in table III.

The book values set forth above do not reflect deduction for the value of the canal to the national defense, and, as has been noted, the value of transferred property properly allocable to national defense is required to be excluded. The history of the Panama Canal is replete with testimony and evidence that it was built primarily for defense and that its availability has permitted economies in naval appropriations many times the initial cost of the canal. In columns B and D of table III showing indicated toll rates this deduction is taken at an arbitrary 50 percent.

The indicated toll rates are, of course, based on 1953 costs and volume of traffic. Since that is so, it is of interest to inquire what would happen to the rate if the drop in toll revenue should materialize that has been predicted by the Company. At the end of March the Company estimated a drop for 1955, 1956, and 1957 to $35 million, as against the figure of $37.5 that prevailed in 1952 and 1953. But that would require only 4 cents more a ton than the indicated rates computed on the basis of 1953 traffic. So the conclusion seems inescapable that present

rates are excessive and that they are unjustifiable.

Quite clearly, it is the affirmative duty of Company management to obey the law and to put an end to the inequitable situation that now exists. It was generally thought that Congress had solved these problems in 1950. This study seems to bear out that conclusion and to point to another, namely, that the obvious intent of Congress is being frustrated by administrative noncompliance and disregard.

TABLE III.—*Indicated toll rates based on 1953 transits, operating costs, book values, and specified adjustments*

	(A) Without defense deduction	(B) With 50 percent defense deduction	(C) With nondepreciables depreciated at 1 percent and no defense deduction	(D) With nondepreciables depreciated at 1 percent and 50 percent defense deduction
Operating expenses [1]	$13,532,515	$13,532,515	$13,532,515	$13,532,515
Share of zone costs	6,300,000	6,300,000	6,300,000	6,300,000
2.05 percent interest on depreciables [2]	1,455,500	727,750	1,455,500	727,750
2.05 percent interest on nondepreciables [3]	4,879,000	2,439,500	2,927,400	1,463,700
Additional depreciation on nondepreciables			1,428,000	714,000
Required toll revenues [4]	26,167,015	22,999,765	25,643,415	22,737,965
Indicated toll rates on 1953 traffic—cents	63	55	61½	54½
Indicated toll rates on Company's traffic estimates for 1955–57—cents	67	59	65½	58½

[1] "Net operating expenses," table I, of $16,040,378, less expenses of "sales of service" assumed to be in same amount as $2,507,863 revenues therefrom.
[2] Depreciables amount to approximately $71 million.
[3] Nondepreciables amount to approximately $238 million; if depreciated at 1 percent for 40 years, their depreciated cost would be $142.8 million in 1953; at 2 percent, $47.6 million.
[4] Does not reflect $1,183,000 reduction in interest which would have resulted from "major valuation adjustments" developed during fiscal 1953 but not applied in financial statements. Panama Canal Company Annual Report, 1953, p. 50.

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

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. Does the Senator have any information about the operation of the Suez Canal which he might include with the other figures?

Mr. MAGNUSON. The Suez Canal is operated by a private corporation, mainly owned by French stockholders. It cost very little to build compared with the cost of building the Panama Canal. That is mainly due to the fact that cheap Egyptian labor was used in its construction. The operation and maintenance costs are not at all comparable with those of the Panama Canal. Its tolls are quite high. It has been operating for a long time and it has been a very successful operation for the corporate stockholders. I understand that it will revert to the Egyptian Government after a certain period of years.

LEAVE OF ABSENCE

Mr. FULBRIGHT. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I ask unanimous consent to be absent from the session of the Senate tomorrow. I must attend a commencement exercise at Rutgers University, where I am to receive a degree with the junior Senator from New Jersey [Mr. CASE].

Mr. MAGNUSON. I wish to take another minute of my time to compliment the Senator from Arkansas. I do not know how many degrees he has already received. Does the Senator know?

Mr. FULBRIGHT. I do not know exactly at the moment.

Mr. MAGNUSON. The Senator can not count them all. However, he has become a very distinguished scholar. He is Professor and Dr. FULBRIGHT.

The PRESIDING OFFICER. Without objection, the leave is granted. The time of the Senator from Washington has expired.

HOUSING ACT OF 1955

The Senate resumed the consideration of the bill (S. 2126) to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

Mr. BYRD. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 55, after line 3, it is proposed to insert the following new subsection:

(d) The Secretary of Defense shall not acquire or operate any housing under authority of this section unless the Corps of Engineers, in the case of housing for Army or Air Force personnel, the Chief of the Bureau of Yards and Docks, in the case of housing for Navy or Marine personnel, or the Office of Engineering, United States Coast Guard, in the case of housing for Coast Guard personnel, has made a thorough inspection of such housing and certifies that it has been constructed in substantial conformity with the plans and specifications.

Mr. BYRD. Mr. President, this amendment to the pending housing bill (S. 2126) simply requires that before the Secretary of Defense takes over any of the new Wherry projects they shall be subject to inspection, and certification that they have been constructed "in substantial conformity with the plans and specifications, in conformity with accepted standards for that type housing, and at reasonable cost."

Under the amendment this inspection would be made by the Corps of Army Engineers in the case of new Wherry housing for the Army Department and the Air Force Department. The inspection for new Wherry housing for the Navy and Marine Corps would be made by the Bureau of Yards and Docks.

There is only one reason for the amendment. It is to assure that the Government is getting what it is paying for.

The amendment has been submitted to the Senator from Indiana [Mr. CAPEHART] and to the Senator from Alabama [Mr. SPARKMAN].

Mr. CAPEHART. Mr. President, I believe the amendment strengthens the bill which I introduced, rather than the bill introduced by the former Senator from Nebraska [Mr. WHERRY]. I suggest that the amendment be taken to conference.

Mr. SPARKMAN. The only question I raise—and I raise it merely as a question—is whether the amendment, if adopted, would not bring about the same trouble we had with the Wherry housing. Not one project of Wherry housing has been started since the enactment of the Housing Act of 1954. That is not altogether due to the fact that there has been a great deal of red tape, but that certainly was one of the great hindrances, according to all reports. In other words, the more agencies that are brought into the picture, it seems to me, the more opportunity there is for delay and the greater discouragement there is for such project to get under way. Of course, the Secretary of Defense could utilize services of these referred to in the amendment whether or not he was required to do so by law. I say to the Senator from Indiana it seems to me the amendment may very well be taken to conference. In the meantime it might be well to check it with the other agencies that are concerned and to give further thought to it. It seems to me, as the Senator from Indiana suggests, it may make some contribution toward strengthening the program.

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

Mr. SPARKMAN. I yield.

Mr. LANGER. Was the amendment presented to the committee?

Mr. SPARKMAN. No; this amendment was not considered by the committee. The Senator from Virginia [Mr. BYRD] has submitted it on the floor. It proposes to require the military to make more specific and more definite checking and certification of this aspect of the program. I had understood that the Senator from Indiana agreed to it with certain words stricken out.

Mr. CAPEHART. Those words have been stricken out.

Mr. SPARKMAN. They were not stricken in the mimeographed copy of the amendment.

Mr. CAPEHART. They were stricken in the amendment as reported to the Senate.

Mr. SPARKMAN. It seems to me that the words in the last line would make the amendment unworkable.

Mr. CAPEHART. Those words have been stricken. The amendment, as now worded, is a proper amendment.

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

Mr. SPARKMAN. I yield.

Mr. CAPEHART. The reason the Senator from Alabama wishes to make inquiry of the various agencies is that the amendment was not submitted to the full committee. Is that correct?

Mr. SPARKMAN. Yes; we have not had an opportunity to make the study

of it in committee we would ordinarily make of an amendment. We want to thresh the question out with all concerned and to obtain their opinions.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Virginia yield back the remainder of his time?

Mr. BYRD. I yield back my time.

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

The amendment was agreed to.

Mr. KUCHEL. Mr. President, on behalf of my colleague, the senior Senator from California, and myself, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. Does the Senator desire to have it read?

Mr. KUCHEL. No, Mr. President.

The PRESIDING OFFICER. The amendment offered by the Senators from California will be printed in the RECORD at this point.

The amendment offered by Mr. KUCHEL for himself and Mr. KNOWLAND is as follows:

On page 14, between lines 8 and 9, insert a new subsection, as follows:

"(g) The act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is hereby amended by amending the last paragraph of section 605 (a) to read as follows:

"'In any city in which, on March 1, 1953, there were more than 10,000 temporary housing units held by the United States of America, or in any two contiguous cities in one of which there were on such date more than 10,000 temporary housing units so held, the Administrator may acquire, by purchase or condemnation, a fee simple title to any or all lands in which the Administrator holds a leasehold interest, or other interest less than a fee simple, acquired by the Federal Government for national defense or war housing or for veterans' housing where (1) the Administrator finds that the acquisition by him of a fee simple title in the land will tend to expedite the orderly disposal or removal of temporary housing under his jurisdiction by facilitating the availability of improved sites for privately owned housing needed to replace such temporary housing, and will tend to expedite the transition of the city from a war-affected community containing, as of said date, a large number of temporary houses to a community having additional permanent, well-planned, residential neighborhoods, (2) the local governing body of the city makes a like finding and requests the Administrator to acquire such title to the land, and (3) the city has furnished assurances satisfactory to the Administrator that no individual who is employed by, or is an official of, the government of the city in which the land is located, or any agency thereof, shall be permitted, directly or indirectly, to have any financial interest in the purchase or redevelopment of such land: *Provided*, That such acquisitions by the Administrator pursuant to this sentence shall be limited to not exceeding 425 acres of land in the general area in which approximately 1,500 units of temporary housing held by the United States of America were unoccupied on said date: *And provided further*, That funds for such acquisition by the Administrator, which are authorized, pursuant to subsection (c) of this section and title II of the Independent Offices Appropriation Act, 1955, to be expended from the revolving fund established by that title under the heading "Housing and Home Finance Agency Office of the Administrator, revolving fund," shall be taken into consideration, to the extent that they are needed, in making any determination pursuant to the second proviso under that heading. All or any part of any land so acquired by the Administrator may, during the 5-year period following the date of its acquisition, be sold by the Administrator, through negotiated sale, to such city or any local public agency where (1) the city or local public agency has represented to the Administrator that it is duly authorized under State law to purchase and resell such land, that such land will be made available to private enterprise for deveopment in accordance with local zoning and other laws, and that the aggregate of such land and any other land in the same city previously sold under the authority of this paragraph to the city or a local public agency will be developed for predominantly residential use, and (2) the city or local public agency has agreed to pay the fair market value of the land as determined by the Administrator, after giving consideration, among other relevant information, to the cost to the Federal Government of acquiring the fee simple title and of holding the land pending sale (including estimated amounts to cover legal and overhead expenses of such acquisition and to cover interest costs to the Federal Government of moneys invested in the land pending sale). Any such negotiated sale of land to the city or a local public agency shall be made upon terms which require (1) that the city or public agency shall pay in cash at least one-third of the price of the land upon its conveyance and the entire price within 1 year after its conveyance and (2) that any portion of the entire price not paid upon such conveyance shall be represented by an indebtedness which shall bear interest on outstanding balances at a rate of 4 percent per annum and which shall be secured by a first mortgage lien upon the land or such portion of the land as the Administrator deems adequate to protect the financial interest of the Federal Government. The Administrator may, at any time that he deems it to be in the public interest to do so, dispose, under authority of other provisions of this act, of any land acquired by him pursuant to this paragraph. Any land acquired by the Administrator pursuant to this paragraph which has not been disposed of within 5 years after its acquisition shall be disposed of by him as expeditiously as possible in the public interest in accordance with other authority contained in this act.'"

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

Mr. KUCHEL. I yield.

Mr. CAPEHART. Mr. President, we have been over the amendment, and I recommend to the able Senator from Alabama that the amendment be accepted and taken to conference. It involves the disposal of property to the city of Richmond, Calif., and allows them a little more time.

Mr. DOUGLAS. Mr. President, will the Senator from California consent to the reading of his amendment?

The PRESIDING OFFICER. It was ordered to be printed in the RECORD without being read.

Mr. KNOWLAND. Mr. President, if the Senator from Illinois wishes the amendment read, we certainly have no objection to its being read. My junior colleague wishes to make an explanation of the amendment.

Mr. KUCHEL. Mr. President, we offer this amendment in behalf of the city of Richmond, Calif.

In 1940 Richmond, Calif., had a population of 23,000. The south half of the city consisted largely of vacant lots. Titles to most of these lands were clouded with liens for taxes and old street bonds. Ownerships were largely scattered among nonresidents, many of whom were dead or unknown.

By 1944 Richmond's population had mushroomed to over 100,000. Employment in Richmond's federally owned shipyards had reached a peak enrollment of 96,000. Urgent need for immediate housing was obvious. Private developers were unable to solve the problem because of inability to assemble ownerships and marketable titles to the land. Accordingly, the Federal Government stepped in and condemned a leasehold interest in virtually all of these vacant lands. Federally owned temporary war housing providing shelter for more than 72,000 persons was promptly constructed. Richmond became known as the "Federal city" which had been mobilized for the war effort.

By 1946 the shipyards ceased operating, but the housing shortage remained critical because of the demobilization of veterans. The temporary war housing in Richmond has been largely used since by servicemen and by workers in certified defense industries. In January 1954 the Federal Government decided that Richmond's temporary housing was no longer needed for defense purposes and that the land must be returned to its owners, cleared of such housing, not later than June 30, 1956.

This temporary housing occupied the only large area in the city available to rehouse the families to be displaced. There was no other significant land available within the city. The problem was rapidly to assemble titles to these lands so that such displaced families could be privately rehoused at reasonable rentals and sales prices. Assemblage of ownerships and marketable titles by private developers and under State law was still impracticable.

Accordingly, the 83d Congress enacted legislation which I introduced last year to meet the problem of Richmond and cities similary situated. This legislation, section 805 of the Housing Act of 1954, amended Section 605 (a) of the Lanham Act by adding a new paragraph which authorized the Administrator of the Housing and Home Finance Agency to purchase or condemn a fee simple title to such lands as an incident to the orderly removal of the temporary war housing and to provide improved sites for private homes needed to replace the temporary housing.

A plan to develop a "pilot area" was developed and it became apparent that certain minor amendments to the law are required in order to carry out the intent of the 83d Congress.

This amendment would add a new section to the Housing Amendments of 1955 and would have the effect of revising the provisions enacted last year to expedite the disposal of temporary housing in Richmond, Calif.

Experience under last year's legislation shows that the revision is necessary in order to proceed with the maximum

efficiency in carrying out the purpose of last year's enactment. Under the law as it would be revised by this amendment, the Housing Administrator could acquire a fee simple title in the numerous small parcels of land in which he now holds a leasehold interest if, and only if, the Administrator finds that such acquisition will tend to expedite the orderly disposal or removal of World War II temporary housing by facilitating the assembly of improved sites on which private enterprise can provide privately owned housing needed to replace the temporary houses. The city would be required to make a similar finding and to request the acquisition by the Administrator.

The Administrator could, during a 5-year period following his acquisition of land under this provision, sell it at fair market value, to the city or its redevelopment agency. Such sales would require a downpayment of at least one-third of the price, and the balance would be payable in not over 1 year. Interest at 4 percent would be charged for any part of the price not paid at the time of conveyance.

It is contemplated that the city would purchase tracts of land as they find a private developer to whom the city can resell it. Such private developer would agree to build houses in accordance with local zoning laws. No sale would be made to the city or its redevelopment agency unless the aggregate of land sold was to be redeveloped primarily for residential use.

The Administrator could, during the 5-year period after he acquires any land under the provision, sell it either to the city, or, if negotiations for sale to the city do not make reasonable progress with respect to any particular parcel, under the authority of existing law.

Any land not sold by the Administrator 5 years after its acquisition by him, would be required to be disposed of as expeditiously as might be possible in accordance with other authority of existing laws.

The principal new feature of the amendment is that land could be acquired by the Federal Government in large parcels, and, therefore, more efficiently, before a private developer is found for each and every parcel to be acquired. The present law, in effect, requires the city to find a developer for each and every parcel before acquisition, because it must guarantee full payment before acquisition by the Federal Government. However, the 5-year limitation in the amendment provides a safeguard against the Federal Government being required to hold onto the land for a longer period. Thus, the amendment is designed in such a manner that the costs of acquisition to the Federal Government should in all likelihood be recouped upon resale.

I have discussed with both the junior Senator from Alabama and the senior Senator from Indiana the text and the intention of the amendment. The amendment is for a community which has been recognized by Congress as having been dealt with quite harshly by reason of a sudden influx of population during the years of World War II.

Our desire in offering the amendment is that it may be written into the bill, and be subjected to such hearings as may be deemed appropriate in the House of Representatives. On that basis, I very much hope that the Senate may accede to the suggestion which has been made.

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

Mr. KUCHEL. I yield.

Mr. SPARKMAN. The distinguished Senator from California discussed the matter with me yesterday for the first time, I believe, and told me something of the background and history of the matter and of his work in trying to have the situation straightened out.

It seems to me it would be worthwhile to take the amendment to conference, but first let me ask the Senator a question. He may have included the answer in his statement, but I am not certain.

Is my understanding correct that the Senator from California has not yet been able to complete clearance with the officials of the housing agency, but that it is his intention to continue to work on that phase, in the hope that a solution can be arrived at?

Mr. KUCHEL. The Senator from Alabama is completely correct.

Mr. SPARKMAN. In the event such a solution can be reached, but it will require a change in the language, would the Senator from California be willing to have the change made either in the House or in conference, in the event it were possible to reach such an agreement?

Mr. KUCHEL. Yes, indeed.

Mr. SPARKMAN. I do not observe the senior Senator from Indiana [Mr. CAPEHART], the ranking member of the committee, in the Chamber, but he has already said to me privately, and he may have said so publicly before he left, although I am not certain, that he favored the amendment. Therefore, so far as I am concerned, I am perfectly willing to take the amendment to conference.

Mr. JOHNSON of Texas. I yield 15 minutes to the senior Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, earlier in the afternoon I had the opportunity to speak about the way in which public housing would permit people living in slums to be decently housed, with the result that we certainly should expect a decrease in disease, sickness, death, juvenile delinquency, and crime.

In the concluding minutes of the general debate on the bill, I should like to dwell on a few points which ordinarily are raised, and to give in more detail the grounds for my earlier statements.

First, let me deal with an objection which is commonly made to public housing, and which is false. This common objection is that under the guise of need, families whose incomes are relatively high are being allowed to enter public housing projects, and that, therefore, the community is subsidizing persons who do not need and should not receive subsidies.

We are all aware that in the Federal act rather rigid limitations have been placed on the amount of income which any person or any family may have in order to be eligible for admission to or retention in a Federal housing project. But this does not, apparently, seem to stop the misrepresentation which goes on throughout the country. I have here some figures which should nail that misrepresentation once and for all.

First, a study of all families who were reexamined for eligibility during the first half of last year showed what is termed the median income, namely, the income midway in numbers between the lowest and the highest—that is, equal numbers above and below—of only a little more than $2,100 for a family having 2 children, or a family of 4 persons. To be precise, the median or midpoint income was $2,121.

About 10 percent of the families had annual incomes of less than $1,000, or of less than $20 a week.

Seventeen percent, or one-sixth, of the total had incomes between $1,000 and $1,500.

This meant that about 23 percent had incomes between $1,500 and $2,121.

On the upper limit, 5 percent of the families were found to have incomes in excess of those which were allowed for retention, and those families were expelled from the projects.

I may say that of the families which moved in during the same period, the average income was $2,028, or less than $40 per week. This indicates that the people who are using the projects are those whom we want to have use them and who need them, namely, those having children and having low incomes.

More than two-thirds of these families received no public assistance at all. They derived their income from their own efforts. To be precise, 68 percent of those in the public housing projects were not in receipt of any public assistance.

A little less than 19 percent, or 18.8 percent, to be precise, were in receipt of public assistance.

Thirteen percent were in receipt of what might be termed "social security, old age and survivors, and veterans' benefits."

So it may be seen that the group which gets the benefit from the public housing facilities are those who are hard up, who have children, and who would be compelled to live in very poor quarters if it were not for public housing.

One of the difficulties in making a case for such projects is the fact that the costs are obvious and seen. But the benefits, however real, are largely unseen.

I should like to speak a little about the proper accounting which should be used with respect to the public housing projects. The total contributions of the Federal Government last year amounted to a little less than $44,500,000. They seem to be running at a rate of something less than $200 per family per year. Those are the obvious costs. I may say that those costs are appreciably less than the costs which were originally estimated. They were only about two-thirds of the original estimate.

So these projects are doing even better than it was believed they would do when the bill was passed in 1949.

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

Mr. DOUGLAS. I yield for a question.

Mr. LEHMAN. The Senator from Illinois mentioned the amount of the investment which the Federal Government has in low-cost housing. Is it not a fact that instead of its being an investment or a gift or a grant, it is really an advance, because it is fair to assume that in time even the very small amounts which have been advanced by the Federal Government will be returned to it?

Mr. DOUGLAS. We believe that. Of course, what the Federal Government does is to guarantee a return on the bonds which have been sold through private agencies. Then, from the rents there are deducted the operating expenditures, and then the amount of the rents, minus the operating expenditures, is applied to the fixed charges. I may say about half of the fixed charges are met by the receipts of the project in excess of the operating expenses, leaving the other half of the fixed charges to be met by Government subsidy, which, as I have said, amounts to perhaps a little less than $200 a family a year, or two-thirds what it was originally thought the subsidy would amount to.

Mr. LEHMAN. Is it not a fact that in addition to what the pending bill provides, certain States and cities provide low-cost housing, and in those cases the cities and the States are advancing the difference between the operating costs and the rents?

Mr. DOUGLAS. I think that is conspicuously true of New York. I may say the State of New York has made greater progress in this respect than has any other State.

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

Mr. DOUGLAS. Yes, indeed.

Mr. LEHMAN. I had a great deal to do with the creation of some of these housing projects before I went into public life in 1929, because I was a member of a large investment banking firm which marketed a great many such bonds. Since then, of course, I have been in very close touch with the question, and have been very deeply interested and watchful over the housing situation.

My impression is, and the Senator from Illinois will please correct me if he does not agree with my personal recollection, that I do not know at this time of a single default occurring on any of these housing bonds.

Mr. DOUGLAS. I do not know of any, either.

Mr. President, we have been discussing the open costs of public housing, but the hidden economies have not been brought out. When slums are torn down, costs are done away with which are real but which commonly are not considered. For example, some years ago a study showed that slums in blighted districts of the cities of the country comprised about 20 percent of the area of those cities, and contained about 33 percent of their population. But now listen to what happened to that 33 percent of the population. In that population occurred 45 percent of the major crimes, 55 percent of juvenile delinquency, 50 percent of all arrests, 60 percent of all those who had tuberculosis, and 50 percent of all those who were sick. In addition, 85 percent of all fires took place in those regions, and 45 percent of city service costs were used in those areas. Yet those areas, comprising one-fifth of the areas of the cities, and containing one-third of their population, only brought in 6 percent of the tax revenues.

In other words, these are areas with a low-income producing capacity, but with great expenses charged to the cities, openly, as well as having hidden costs in the way of weakened life, weakened vitality, poorer family life, and so on.

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

Mr. DOUGLAS. Yes; I am glad to yield.

Mr. LEHMAN. I am very much gratified that the Senator from Illinois has emphasized the relationship between juvenile delinquency and slums, and the effect that decent surroundings and adequate recreational facilities have in preventing juvenile delinquency. I am convinced of that fact as much as I am convinced of anything else. I recall when I was a boy I was taken down to the lower East Side of New York. I was shown homes which were not even holes in the wall. There was one area called Lung Block, in which there were more cases of tuberculosis than existed in 5 or 10 other blocks in the city, or possibly in the country. That was due to the fact that 10, 15, or 20 persons were living together in 1 room, without proper ventilation, and without sanitary facilities. When that slum area was torn down, as it was 20 or 25 years ago, the whole situation changed. There now exists a decent, self-respecting community in that block.

Mr. DOUGLAS. The Senator from New York is quite right. While complete studies have not been made of governmental housing projects which are now in existence, studies made some years ago showed that the prevalence of juvenile delinquency was much less in public housing projects than it had been among the same families or in the same areas before public housing was available; disease was much less prevalent, crime was much less, there were far fewer fires, not so many policemen were needed, and not so much money was distributed in relief.

It is well known that if cattle are given decent living quarters, added beef production results. If horses are treated decently, more work can be obtained from them.

I do not want to rest the case for public housing purely on such gross and material terms, because human life, after all, should be the culmination of all values; but if one wants to argue in purely materialistic terms, it can be said that public housing will more than pay for the subsidy, in terms of reduced crime rates, reduced need for policemen, fewer fires, lesser hospital costs, and smaller doctors' bills.

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

Mr. DOUGLAS. I yield to the Senator from Louisiana.

Mr. ELLENDER. May we also add——

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

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

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. How much time is remaining on the Kuchel amendment?

The PRESIDING OFFICER (Mr. BIBLE in the chair). The Senator from California has 48 minutes remaining. The Senator from Texas has 45 minutes remaining.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Illinois desire to have additional time at this point? If so, I yield 2 more minutes to him.

Mr. DOUGLAS. I thank the Senator from Texas.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 more minutes.

Mr. ELLENDER. Mr. President——

Mr. DOUGLAS. I yield to the Senator from Louisiana.

Mr. ELLENDER. Let me say I recall that some studies were made to demonstrate that a contented worker, namely, one living in a clean, decent home, rather than in a slum area, will more than make up to his employer the cost to the employer of paying taxes in order to maintain the subsidy.

Mr. DOUGLAS. Mr. President, I think the Senator from Louisiana is entirely correct.

Merely from the point of view of dollars and cents, if we take into consideration the hidden values coming from decent housing, we find that they more than pay for the cost of that housing.

Mr. President, we should be the means of enabling men, women, and particularly children, to lead happier, fuller, and more expanded lives. That is the test. Meeting that test is helped by a public-housing program.

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

Mr. JOHNSON of Texas. Mr. President, I have conferred with the Senator from California; and I am willing to yield back the remainder of the time under my control, if he will do likewise. In that way we can vote now on the Kuchel amendment.

Mr. KUCHEL. I thank the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, does the chairman of the subcommittee desire to have a quorum call at this time?

Mr. SPARKMAN. No.

Mr. KUCHEL. Mr. President, I yield back the remainder of the time available to me.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back by both sides.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KUCHEL] for himself and his colleague [Mr. KNOWLAND].

The amendment was agreed to.

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

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

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. How much time remains on the question of agreeing to the Bush amendment.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. BUSH] has 51 minutes remaining; and the Senator from Texas [Mr. JOHNSON], who is in control of the time in opposition to the amendment, has 15 minutes remaining under his control.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Connecticut take time now to explain his amendment? If so, we can then vote it.

Mr. BUSH. Mr. President, I thank the Senator from Texas for the suggestion.

The amendment simply authorizes the Housing and Home Finance Administrator to sell to the local housing authority in the town of Glastonbury the 199-unit housing development there, known as Lanham Act housing or moderate-rental housing, subject to the approval of the legislative body of the town of Glastonbury, and to do so within a period of 12 months from the date of enactment of this act. Briefly stated, that is the purpose of the amendment. It is almost exactly similar to an amendment, adopted last year to the housing bill, in regard to a similar situation existing in the town of Wethersfield, Conn.

I think there is nothing further I need say about the amendment. It has been recognized as acceptable by the chairman of the subcommittee, the junior Senator from Alabama [Mr. SPARKMAN] and, on our side by the Senator from Indiana [Mr. CAPEHART].

Mr. JOHNSON of Texas. If the Senator from Connecticut has explained the amendment, we can vote on it now.

Mr. BUSH. Mr. President, I am glad to cooperate in that respect.

Mr. FULBRIGHT. Mr. President, will the Senator from Connecticut yield for a question?

Mr. BUSH. I yield.

Mr. FULBRIGHT. Does the Senator from Connecticut know what the price of the houses will be?

Mr. BUSH. No. It will be the fair market value, but that must be determined by negotiation.

Mr. FULBRIGHT. Does not the law require that the sale price, and so forth, be reported to the committee or to the Senate?

Mr. BUSH. I think not.

Mr. JOHNSON of Texas. Mr. President, I will yield back the remainder of the time under my control, if the Senator from Connecticut will yield back the remainder of the time under his control.

Mr. BUSH. Mr. President, I yield back the remainder of the time available to me.

Mr. JOHNSON of Texas. Mr. President, I do likewise.

The PRESIDING OFFICER. All remaining time has been yielded back.

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

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. STENNIS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, let me say to the Senator from Mississippi that the Senator from Indiana is not now on the floor. I understand that the Senator from Mississippi has an amendment to submit, but I should like to have the Senator from Indiana in the Chamber before that amendment is submitted.

If it is agreeable, I shall suggest the absence of a quorum, provided it is agreed that the time required for it will not be charged to either side.

Mr. STENNIS. Very well, Mr. President.

Mr. JOHNSON of Texas. Then, Mr. President, I ask unanimous consent that a quorum call may be had at this time, with the understanding that the time required for it will not be charged to the time available to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. JOHNSON of Texas. Mr. President, the Senator from Mississippi [Mr. STENNIS] has an amendment to submit. I ask unanimous consent that the amendment of the Senator from Indiana [Mr. CAPEHART] may be temporarily laid aside, so that the Senator from Mississippi may submit his amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Mississippi will be stated.

The CHIEF CLERK. On page 55, in lines 13 and 14, it is proposed to strike out "except as may hereafter be enacted in express amendment hereof."

Mr. STENNIS. Mr. President, this amendment is merely a technical one. It is offered because the language it proposes to strike out, as I see it, really has no legal meaning. I refer first to the words "except as may hereafter be enacted."

Of course, it is always implied that any law will continue to be the law until changed by a subsequent law to the contrary.

My amendment also would strike out the words "in express amendment hereof"—which is an awkward way of preventing Congress from amending this act unless it is specifically stated that the amendment is "in express amendment hereof."

Mr. CAPEHART. Mr. President, let me suggest to the Senator in charge of the bill that this amendment be accepted.

Mr. STENNIS. I thank the Senator from Indiana.

Mr. SPARKMAN. Mr. President, I am perfectly willing to accept the amendment. I agree with the Senator from Mississippi that the language he proposes to strike out is meaningless, legally.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time available to me.

Mr. STENNIS. Mr. President, I yield back the remainder of the time available to me on the amendment.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Mississippi [Mr. STENNIS].

The amendment was agreed to.

Mr. BUSH. Mr. President——

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Connecticut.

Mr. BUSH. Mr. President, during the hearings on Senate bill 972, a certain situation developed in one or more States respecting the conversion of Federal savings and loan associations into stock companies. I intended to offer an amendment to the bill to strike out the provisions divorcing the Federal savings and loan operations, or the Home Loan Bank Board, from the HHFA. I do not intend to offer the amendment at this time, but I wish to say that the situation, which has disturbed me and other members of the Banking and Currency Committee, is worthy of further study by that committee, and promptly.

To that end, I ask unanimous consent that a letter from Albert M. Cole, Administrator of the Housing and Home Finance Agency, to the Senator from Alabama [Mr. SPARKMAN], together with an endorsement by Walter W. McAllister, Chairman of the Home Loan Bank Board, be printed in the RECORD at this point as a part of my remarks.

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

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., June 7, 1955.

Hon. JOHN J. SPARKMAN,
Chairman, Subcommittee on Housing, Banking and Currency Committee, United States Senate, Washington, D. C.

DEAR JOHN: For the last several months, I have been increasingly interested in and disturbed about certain questions surrounding the conversion of mutual savings and loan associations, both Federal and State chartered, into permanent stock companies. I judge from recent events that these questions are now attracting similar attention in Congress and from the public; I am sure that they are matters of interest to your committee. Accordingly, I believe it is timely to indicate the basis for my concern and to suggest certain lines of future action.

In brief, under the present statutes (dating from about 1948) the following actions may occur:

1. A Federal association may convert to a State-chartered mutual association without the approval of the Home Loan Bank Board by following the stipulations of the first paragraph of section 5 (i) of the Home Owners' Loan Act of 1933. There is nothing in

the law or regulations which imposes controls upon the association if, thereafter, it elects to reorganize under State law as a stock company.

2. A federally-chartered association may convert directly into a State-chartered stock company under the second paragraph of section 5 (i) if the plan of conversion is upon an equitable basis and approved by the Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation.

Let me make it clear that I do not contend there is anything basically wrong with permanent stock companies as such; I am concerned over certain features involved in the movement of mutual companies into the stock-ownership field. The history of permanent stock companies in several States where this form of operation has been typical for thrift and home-financing institutions is exemplary. As a group in those States they are strong financially, enjoy progressive management, and have played a significant role in the encouragement of thrift and in the provision of home-mortgage financing in their communities.

The nub of the problem is that in any such conversion there is a transfer of ownership from the body of mutual shareholders to a group—normally, from a practical standpoint, a much smaller group—of permanent stockholders. Where, as is commonly the case, the converting institution possesses substantial earned surplus, reserves and undivided profits, a question necessarily arises as to whether the methods, terms, and conditions of conversion adequately protect—both immediately and over the longer term—the rights of the mutual shareholders after conversion is consummated.

I am firmly convinced that the Federal regulatory and insuring agencies involved are under a duty to assure that these rights are adequately protected and preserved. The nature of their obligation was well stated by the United States Supreme Court in the first case involving a Federal savings and loan association to come before the Court. In its opinion, the Supreme Court declared:

"In the creation of corporations of this quasi-public order and in keeping them thereafter within the limits of their charters, the State is parens patriae, acting in a spirit of benevolence for the welfare of its citizens. Shareholders and creditors have assumed a relation to the business in the belief that the assets will be protected by all the power of the Government against use for other ends than those stated in the charter. Aside from the direct interest of the State in the preservation of agencies established for the common good, there is thus the duty of the parens patriae to keep faith with those who have put their trust in the parental power."[1]

I believe that as Administrator I have a responsibility to see that the trust obligation so described by the Court is met, and I must report to your committee that I am not satisfied that it can be fully met under the present statutes and the regulations stemming from the statutes.

One of the most difficult problems for the Home Loan Bank Board has been to determine the nature of an equitable plan for conversion. I find that many detailed and relatively complicated requirements have been imposed by the Board—generally on a State-by-State basis to accommodate the variations in State statutes under which the conversions take place.

The administrative requirements and procedures of the Board are well summarized in a letter from Mr. Walter W. McAllister, Chairman of the Board, to the Honorable J. ALLEN FREAR, Jr., acting chairman, Subcommittee on Banking, Senate Committee on Banking and Currency, dated June 3, 1955. I understand that this letter will appear in the record of hearings on S. 972 and I will not repeat the detail here. As the Chairman stated in the hearings, the Board is of the opinion that all of the legal requirements of the statutes have been met and that the Board has gone perhaps further than expressly required by the statutes to control conversions and to protect the interests of the shareholders.

While many of the Board's requirements seem necessary and desirable, and while it may be that some go further than the law expressly requires, I am not satisfied that we can rely on these requirements alone to protect the rights of the mutual shareholders. In my opinion, neither the statute nor the implementing policies and practices of the Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation thereunder are assuredly adequate to cope with all conversion problems.

The Federal charter for savings and loan associations provides:

"All holders of savings accounts of the association shall be entitled to equal distribution of assets, pro rata to the value of their savings accounts, in the event of voluntary or involuntary liquidation, dissolution, or winding up of the association."

and this same principle has been enunciated by the Congress. Section 5 (i) of the Home Owners' Loan Act of 1933 provides that a Federal association may convert to a State-chartered association upon the condition, among others, that—

"In the event of dissolution after conversion, the members or shareholders of the association will share on a mutual basis in the assets of the association in exact proportion to their relative share or account credits."

If these are the basic conditions upon which the individual investors entered into their mutual association under the encouragement and protection of the Government, a question is necessarily raised as to whether the act of conversion from mutual to stock ownership does not in fact constitute a voluntary dissolution of the mutual association such as to require a distribution of equitable rights to the mutual shareholders. I am not here as much concerned with a legal definition of dissolution, as with the effective ending of the mutual trust relationship between the elected management of the institution and the body of mutual shareholders.

I have not yet reached final judgments on what steps can best be taken to protect the interests of the mutual shareholders and the public interest, but I have in mind several propositions for the consideration of your committee. These are:

1. The Congress should provide for conditions applicable to conversions from mutual to stock ownership which would assure that reserves and surplus arising out of the earnings of the institution prior to the date of conversion inure in perpetuity to the benefit of the mutual shareholders, and cannot subsequently be alienated from them to the benefit of those who may be in a favorable position to acquire ownership and control of the permanent stock. These conditions should be attached to the continued availability of Federal insurance of accounts in the case of State-chartered institutions.

I understand that it is the view of some that the imposition of such a condition would effectively halt conversions. But it is my view that to permit any other disposition of prior-accrued funds would constitute a violation of the underlying trust relationship. If it is true that such a condition would stop the trend towards conversions, it raises an obvious question as to whether there is not a potential conflict of interests between the mutual shareholders and the subsequent stockholders which requires the most careful supervision on the part of the Federal chartering and insuring authorities.

2. If the Congress is not disposed at this session to formulate and put into the statute a provision along the general lines of No. 1 above and if it is the judgment of the committee that the present language of the second paragraph of section 5 (i) of the Home Owners' Loan Act of 1933 does not express fully the intent of the Congress as to the manner in which single-stage conversions should be approved, the committee may wish to consider the repeal of that provision. As an alternative, the committee may wish to define for the guidance of the Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation the precise nature of the "equitable basis" that shall obtain before the Board and the Insurance Corporation shall approve such conversions.

3. It is my feeling that the Congress will want to give careful consideration to strengthening the supervisory authority of the Federal Savings and Loan Insurance Corporation, with particular reference to the fact that the authority of the Corporation to terminate insurance of accounts is presently stated on a rather narrow basis.

In the two-stage conversion process, a Federal association may convert to a State-chartered mutual without the approval of the Board or the Corporation and then under State law and regulations convert from mutual to stock organization. During the second stage of the process, the Insurance Corporation has the express authority only to pass upon the forms of securities and upon the bylaw provisions relating to securities.

It does not have express statutory powers to terminate insurance of accounts unless a finding is reached after a hearing that the association has violated its duty as such or has continued unsafe or unsound practices in conducting the business of the institution, or has knowingly or negligently permitted any of its officers or agents to violate any provision of law or regulation to which the insured institution is subject.

There may be violations of public policy, or of the intent and purpose of the Government-supported insurance system that would not come within the present authority. The basic problem inherent in conversions is one specific example; there may be others.

4. I suggest that the committee may wish to give consideration to legislation which would establish a system of federally chartered permanent stock companies in the thrift and home financing area to parallel the State system of such permanent stock companies. I make this suggestion because of my belief that it is just as desirable to preserve the dual banking system in the savings and loan field as it is in the commercial banking field. If the trend toward conversion of Federal mutuals continues, it is possible that over a period of years the system of Federal savings and loan associations established by the Congress in 1933 will disappear.

I believe that the Congress should act at this present session to deal with the problems discussed above. I shall be happy to furnish assistance to the committee on any legislative proposals in this regard which it may consider desirable. Meantime, it is my judgment that the Board should continue its policy of withholding approvals from all applications for conversion from the mutual to the stock form of organization.

I should not like the committee to get a wrong impression as to the quantitative size of this problem up to the present time. According to data furnished me by the Board, only 29 mutual savings and loan associations have converted to stock companies in the last 10 years—a very small number in so large an industry. However, it must be noted that half a dozen States or more have adopted legislation looking toward such conversions since the end of World War II; a number of other States are considering such legislation, and there is substantial support for it. The indications are, therefore, that this form of conversion is a relatively recent development

[1] *Hopkins Savings Association* v. *Cleary* (296 U. S. 315).

which, by the observable signs, may develop into a trend of very significant dimensions. It is for this reason that I think it urgent to take all appropriate steps at this relatively early stage, not to halt the process, but to assure that it is subject to appropriate supervision and occurs with the full protection of the rights and interests of all concerned.

I am advised by the Bureau of the Budget that there is no objection to the submission of this letter.

Sincerely yours,

ALBERT M. COLE,
Administrator, Housing and Home Finance Agency.

I am glad to join Mr. Cole in presenting this matter for the consideration of your committee.

WALTER W. MCALLISTER,
Chairman, Home Loan Bank Board.

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

Mr. JOHNSON of Texas. Mr. President, if the Senator from Indiana is willing to yield back the remainder of his time on his amendment, I shall be glad to yield back the remainder of my time, in order that there may be a quorum call.

Mr. CAPEHART. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time, and suggest the absence of a quorum.

The PRESIDING OFFICER. All time has been used or yielded back.

The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McNamara
Allott	George	Millikin
Anderson	Goldwater	Monroney
Barkley	Gore	Morse
Barrett	Hayden	Mundt
Beall	Hennings	Neely
Bender	Hickenlooper	Neuberger
Bennett	Hill	O'Mahoney
Bible	Holland	Payne
Bricker	Hruska	Purtell
Bridges	Humphrey	Robertson
Bush	Ives	Russell
Butler	Jackson	Saltonstall
Byrd	Jenner	Schoeppel
Capehart	Johnson, Tex.	Scott
Carlson	Johnston, S. C.	Smathers
Case, N. J.	Kefauver	Smith, Maine
Case, S. Dak.	Kennedy	Smith, N. J.
Cotton	Kerr	Sparkman
Curtis	Kilgore	Stennis
Daniel	Knowland	Symington
Douglas	Kuchel	Thurmond
Duff	Langer	Thye
Dworshak	Lehman	Watkins
Eastland	Magnuson	Welker
Ellender	Malone	Wiley
Ervin	Mansfield	Williams
Flanders	Martin, Pa.	
Frear	McCarthy	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. All time has been used or yielded back.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MALONE (when his name was called). On this vote I have a pair with the junior Senator from Louisiana [Mr. LONG]. If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. SMATHERS (when his name was called). On this vote I have a pair with the junior Senator from Rhode Island [Mr. PASTORE]. If he were present and voting he would note "nay." If I were permitted to vote I would vote "yea." I therefore withhold my vote.

Mr. WILEY (when his name was called). On this vote I have a pair with the Senator from New Mexico [Mr. CHAVEZ]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization Meeting in Geneva, Switzerland.

I further announce that the senior Senator from Kentucky [Mr. CLEMENTS] has a general pair with the junior Senator from Illinois [Mr. DIRKSEN].

The senior Senator from Montana [Mr. MURRAY] has a general pair with the senior Senator from Michigan [Mr. POTTER].

The senior Senator from Rhode Island [Mr. GREEN] has a pair with the junior Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from North Dakota would vote "yea."

I also announce that if present and voting, the Senator from Kentucky [Mr. CLEMENTS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Iowa [Mr. MARTIN] is necessarily absent.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization Meeting in Geneva, Switzerland.

The Senator from North Dakota [Mr. YOUNG] is absent on official business.

The Senator from Illinois [Mr. DIRKSEN] has a general pair with the Senator from Kentucky [Mr. CLEMENTS].

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

On this vote, the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from North Dakota would vote "yea," and the Senator from Rhode Island would vote "nay."

The result was announced—yeas 38, nays 44, as follows:

YEAS—38

Allott	Curtis	Mundt
Barrett	Dworshak	Payne
Beall	Eastland	Robertson
Bender	Goldwater	Russell
Bennett	Hickenlooper	Saltonstall
Bricker	Holland	Schoeppel
Bridges	Hruska	Smith, N. J.
Butler	Jenner	Thurmond
Byrd	Knowland	Thye
Capehart	Kuchel	Watkins
Carlson	Martin, Pa.	Welker
Case, S. Dak.	McCarthy	Williams
Cotton	Millikin	

NAYS—44

Aiken	Gore	Magnuson
Anderson	Hayden	Mansfield
Barkley	Hennings	McNamara
Bible	Hill	Monroney
Bush	Humphrey	Morse
Case, N. J.	Ives	Neely
Daniel	Jackson	Neuberger
Douglas	Johnson, Tex.	O'Mahoney
Duff	Johnston, S. C.	Purtell
Ellender	Kefauver	Scott
Ervin	Kennedy	Smith, Maine
Flanders	Kerr	Sparkman
Frear	Kilgore	Stennis
Fulbright	Langer	Symington
George	Lehman	

NOT VOTING—14

Chavez	Malone	Potter
Clements	Martin, Iowa	Smathers
Dirksen	McClellan	Wiley
Green	Murray	Young
Long	Pastore	

So Mr. CAPEHART's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 68, line 2, after "Sec. 601", it is proposed to insert "(a)", and at the end of the bill to insert the following:

(b) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C. 1952 edition, 371) is hereby amended by inserting after the phrase "or the act of August 28, 1937, as amended" the following, "or title V of the Housing Act of 1949, as amended."

Mr. SPARKMAN. Mr. President, I have not had an opportunity to discuss this amendment with the Senator from Indiana [Mr. CAPEHART]. It relates to insured loans on farm housing. It simply makes such insured loans purchasable by national banks, just as insured Bankhead loans and insured FHA loans are so purchasable.

Mr. CAPEHART. Mr. President, I have no objection to the amendment. We can take it to conference, and if it is found that it affects the bill adversely in any way, we can handle it at that time.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. Is it the understanding of the Senator that with reference to the so-called Wherry housing in the military provisions of the bill the same conditions will apply as apply to all other real estate, and that if real estate is taken over or sold by the Department of Defense, the question will be submitted, first, to the Armed Services Committee of the House and the Senate

for their consideration? If that is not the Senator's understanding, I hope he will bear that in mind in the conference. It was brought to my attention only recently before I had time to assemble the facts myself.

Mr. SPARKMAN. I do not recall that subject having arisen in the consideration of the bill. I do not believe there is any language in the bill which would establish a priority such as that which the Senator mentions.

Mr. SALTONSTALL. The Senator from Mississippi is the chairman of the subcommittee which handles real estate questions. All proposals for the lease of real estate are referred to the Armed Services Committee for its approval.

Mr. SPARKMAN. There is certainly nothing in this amendment which would prevent that practice being followed.

Mr. SALTONSTALL. Will the Senator bear that in mind?

Mr. SPARKMAN. I shall bear it in mind, and I shall be glad to consult with the Senator from Mississippi.

Mr. SALTONSTALL. The Senator from Mississippi is an authority on the subject.

SEVERAL SENATORS. Vote! Vote!

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

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, may we at this time have the yeas and nays ordered on the final passage of the bill?

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I send to the desk another amendment and ask that it be stated.

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

The CHIEF CLERK. On page 7, after line 3, it is proposed to insert the following new section:

(1) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, shall appoint a Special Assistant for Cooperative Housing, and provide the Special Assistant with adequate staff, whose sole responsibility will be to expedite operations under this section and to eliminate obstacles to the full utilization of this section under the direction and supervision of the Commissioner. The person so appointed shall be fully sympathetic with the purposes of this section.

Mr. SPARKMAN. Mr. President, I have discussed this amendment with the able Senator from Indiana [Mr. CAPEHART]. Section 213 is the section which provides for FHA insured loans on cooperative housing. We believe that is the only way the low-income and middle-income groups will be able to obtain housing. The amendment would provide for a special assistant to the commissioner who would devote his time and attention to this particular type of housing.

Mr. CAPEHART. Mr. President, I recommend that the amendment be taken to conference.

The PRESIDING OFFICER. Does the Senator from Alabama yield back the remainder of his time?

Mr. SPARKMAN. I yield back my time.

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

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. JOHNSON of Texas. Mr. President, if there are no requests for time, I yield back my time, if the minority leader will yield back his time.

Mr. KNOWLAND. If there are no requests for further time, I yield back my time.

The PRESIDING OFFICER. All time on the bill is yielded back. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization Meeting in Geneva, Switzerland.

I further announce that the senior Senator from Kentucky [Mr. CLEMENTS] has a general pair with the junior Senator from Illinois [Mr. DIRKSEN].

The senior Senator from Montana [Mr. MURRAY] has a general pair with the senior Senator from Michigan [Mr. POTTER].

I also announce that if present and voting the Senator from New Mexico [Mr. CHAVEZ], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Rhode Island [Mr. GREEN], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY] and the Senator from Rhode Island [Mr. PASTORE] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Iowa [Mr. MARTIN] is necessarily absent.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization Meeting in Geneva, Switzerland.

The Senator from North Dakota [Mr. YOUNG] is absent on official business.

The Senator from Illinois [Mr. DIRKSEN] has a general pair with the Senator from Kentucky [Mr. CLEMENTS].

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

If present and voting, the Senator from North Dakota [Mr. YOUNG] would vote "yea."

The result was announced—yeas 60, nays 25, as follows:

YEAS—60

Aiken	Fulbright	Malone
Allott	George	Mansfield
Anderson	Gore	McCarthy
Barkley	Hayden	McNamara
Beall	Hennings	Millikin
Bender	Hill	Monroney
Bennett	Humphrey	Morse
Bible	Ives	Neely
Bridges	Jackson	Neuberger
Bush	Johnson, Tex.	O'Mahoney
Butler	Johnston, S. C.	Payne
Capehart	Kefauver	Purtell
Case, N. J.	Kennedy	Saltonstall
Cotton	Kerr	Scott
Douglas	Kilgore	Smith, Maine
Duff	Knowland	Smith, N. J.
Ellender	Kuchel	Sparkman
Ervin	Langer	Symington
Flanders	Lehman	Thye
Frear	Magnuson	Wiley

NAYS—25

Barrett	Goldwater	Schoeppel
Bricker	Hickenlooper	Smathers
Byrd	Holland	Stennis
Carlson	Hruska	Thurmond
Case, S. Dak.	Jenner	Watkins
Curtis	Martin, Pa.	Welker
Daniel	Mundt	Williams
Dworshak	Robertson	
Eastland	Russell	

NOT VOTING—11

Chavez	Long	Pastore
Clements	Martin, Iowa	Potter
Dirksen	McClellan	Young
Green	Murray	

So the bill (S. 2126) was passed.

Mr. BYRD. Mr. President, I ask unanimous consent that I may have printed in the RECORD immediately following the vote on the housing bill, S. 2126, a statement giving my reasons for opposing the bill.

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

STATEMENT BY SENATOR BYRD

SUMMARY

The pending housing bill (S. 2126) embraces more than 100 amendments and additions to Federal housing programs.

It deals with the scandalized home repair program and sweetens it up by increasing loans.

It liberalizes the cooperative housing programs which were victimized by profiteers in the past.

It increases by nearly 20 percent the authorizations to insure loans under the general FHA programs at public risk.

It liberalizes and increases expenditures for slum clearance programs.

For the first time it provides Federal insurance of loans to buy land without any house construction contemplated—for trailer parks, and improvements which may or may not include swimming pools, barbecue pits, etc.

It extends the life of title IX emergency defense housing programs, which admittedly are beyond their usefulness.

It legalizes the use of slum clearance areas for industrial purposes and subsidizes this feature.

It increases authorization for construction of federally subsidized public housing by 400 percent.

It makes permanent with a $48 million revolving fund the community facilities program.

It creates a $100 million revolving fund for public facility loans.

It liberalizes the college housing program and it extends its loans for use in the construction of dining halls, student unions, inpatient and out-patient facilities, etc.

It creates a $1,350 million monstrosity to succeed the Wherry housing program for military installations. I doubt that it is capable of proper administration, and some military and FHA officials have the same doubt.

It establishes a brandnew program for smoke elimination and air pollution prevention involving grants, loans, and contracts, virtually without expenditure limitation so far as this bill is concerned.

It extends the farm housing program under the Department of Agriculture and adds to it a loan insurance program which duplicates and overlaps the farm housing loan insurance program already in existence under FHA.

In the new Wherry program and elsewhere in the bill there is a return to the 100-percent replacement cost procedure under which Federal housing scandals flourished with builders mortgaging out and pocketing the proceeds of loans far in excess of the project costs.

In the new Wherry program and elsewhere the safeguard of cost certification adopted last year is repealed.

Not only does the bill destroy such safeguards as have been put into housing legislation in these programs, but it sweetens them up with more money to make them more attractive to dynamiters, suede-shoe boys, profiteers, and all the rest of the unscrupulous exploiters of housing programs.

Under this bill more than $6 billion of new money or authority to use public credit is pumped into Federal housing programs.

General FHA programs are given an additional $4 billion authorization to insure loans at public risk.

Under the new Wherry program there is another additional authorization, at public risk, to insure builders' loans to a total of $1,350 million.

There is new authority to spend out of the public debt $100 million for public-facility loans and $200 million for college housing.

Appropriations for additional money are authorized for slum clearance to a total of $537 million, to community facilities for a total of $30 million, and to direct farm housing loans $100 million.

In addition to these there is authorization for new appropriations for the smoke elimination and air pollution prevention program to an unlimited amount.

Also, in addition, there would be greater appropriations for the subsidy of local public housing which the bill proposes to increase, in terms of authorization, by 400 percent. Federal costs for public housing are permanent.

TITLE I—HOME REPAIR LOANS

Sections 101 (a) and (b) (p. 2 of the bill) extends the title I property improvement program for 5 years to 1960, and increases the maximum loan to individuals from $2,500 to $3,000.

This is the program so terribly exploited by "dynamiters" and "suede-shoe" boys, and described by Assistant Attorney General Warren Olney as a program under which organized groups and swindlers, thieves and crooked salesmen cheated and defrauded literally thousands of small-home owners, and which "has been almost ruinous to legitimate dealers."

Testifying on this bill, May 10, 1955 (p. 63 of the hearings) Norman P. Mason, FHA Administrator, said, "There will continue to be irregularities or abuses in any program of this kind as long as the program exists."

This is the program this bill would continue for 5 years and sweeten up with a 20-percent increase in the maximum loan.

Under the program, FHA at public risk insures up to $1,750,000,000 in repair and improvement loans outstanding at any one time.

The individual loans are not insured. The lending institutions are merely insured, virtually 100 percent, against any loss resulting from default.

There have been nearly 18½ million loans under this program for $8.6 billion. There is more than $1¼ billion in loans outstanding and approximately one-half billion in unused authorization.

There were nearly a half million claims on defaulted notes according to the latest report given to me by Mr. Albert M. Cole, the Housing and Home Finance Administrator.

I am advised by the Justice Department that indictments for criminal illegalities in this program now run into the hundreds, with more than 100 convictions and pleas of guilty to date growing out of scandals involving home-repair loans.

FHA FARM HOUSING

Section 102 (a) (p. 2 of the bill) would eliminate the $100 million authorization for insurance of farm housing loans under FHA, which already overlap insured and direct loans provided for under the Farmers Home Administration in the Department of Agriculture.

The Housing Act of 1954 limited the loans which would be guaranteed for farm housing to $100 million. This provision in this bill would repeal the limitation—leaving the amount which could be insured without limit.

The reason given in the hearings is "reducing the record keeping with respect to the farm housing program and the necessity for recurring estimates of amounts of outstanding balances on these farm housing mortgages."

It's just too much trouble to stay within the limitation.

TRAILER PARKS—INSURING LOANS FOR LAND

Section 102 (c) (p. 3 of the bill) would authorize FHA to insure loans for purchase of land for trailer parks.

Under this amendment, FHA could insure loans up to $300,000 per park at the rate of $1,000 per trailer space within the park.

The money could be used to purchase the land, finance utilities and "other improvements"—perhaps including more swimming pools and barbecue pits.

This is the first time in the history of these housing programs that it has been seriously suggested that the Federal Government would insure loans for purchase of land alone without housing construction.

The program does not provide for the insurance of loans to individuals to buy the trailers.

There have been trailer programs in the past, but they were mostly in Lanham Act defense emergency provisions under which the Government bought trailers with appropriated money for use in remote areas for temporary housing.

It is not clear, but apparently loans for trailer park land purchases, installation of utilities and "other improvements" would be made under provisions of section 207 of the Housing Act of 1954, where the loans are based on the estimated value of the property or project when the improvements are completed, including physical improvements, utilities, architects' fees, taxes, and interest during construction, and other miscellaneous charges incident to construction.

CO-OP HOUSING—REPLACEMENT VALUE

Section 102 (c), (5) (p. 3 of the bill); sections 102 (e) and 102 (f) (p. 6 of the bill); section 102 (k) (p. 7 of the bill); and section 103 (c) (p. 8 of the bill) all deal with FHA cooperative projects.

The committee report says it is "the committee's intention that FHA take affirmative action to make this program operative and effective, to expedite it, and to eliminate administrative obstacles."

The committee found that one of the obstacles to the program was basing the insured mortgages on estimated value instead of replacement value.

Section 102 (e) (p. 6 of the bill) returns the program to estimated replacement cost, estimated by the Commissioner.

Section 103 (e) (p. 8 of the bill) authorizes the Federal National Mortgage Association (Fanny Mae) to make advance commitments for the purchase of co-op housing mortgages totaling up to $50 million with up to $5 million in any one State.

Section 102 (k) (p. 7 of the bill) would permit insurance of co-op mortgages to purchase Government-owned property acquired by default under the co-op program or any other Federal housing program.

Section 102 (c) (5) (p. 3 of the bill) and section 102 (e) (p. 6 of the bill) would reduce the minimum size of co-op projects from 12 to 8 units.

This is the program in which the Senate Banking and Currency Committee found some of the worst abuses and most scandalous operations. Some of what the committee found in the way of land deals, misrepresentation, profiteering, windfalls, etc., in the co-op program are set forth on page 223 of the hearings.

And this is only a sample. Some of these co-op projects are still in litigation.

Through March 31, 1955, FHA had insured 11,835 loans under this program for $400 million and more, of which more than $300 million was still outstanding.

INCREASING MULTIUNIT LOAN MAXIMUM 150 PERCENT

Section 102 (d) (pp. 3 and 4 of the bill) would increase the maximum loan which FHA would insure for a multiunit project from $5 million to $12.5 million—an increase of 150 percent.

This would be the program under which 608-type multiunit apartment-house mortgages would be insured.

Effort is made in the hearings to justify this increase on a basis of increased costs.

It might be contended more accurately that it would legalize such operations as those found in the Woodner Hotel, where they put a partition through the middle to get $10 million instead of $5 million, and the Arlington Towers project.

Under this provision the same builder could have more than one of these $12.5 million projects going at the same time, providing the commitments were made one at a time.

Under section 102 (d) (p. 5 of the bill) a builder could have loans insured for projects totaling up to $50 million within an arbitrarily defined "marketing area" if it were in a slum-clearance area.

FIFTY-MILLION-DOLLAR LOANS IN SLUM-CLEARANCE AREAS

Section 102 (d) (p. 5 of the bill) would provide that one builder could have loans insured for projects within an arbitrary "marketing area" totaling $50 million if the housing is to be in a slum-clearance area.

INCREASING FHA AUTHORIZATION $4 BILLION

Section 102 (g) (p. 6 of the bill) would authorize FHA to insure $4 billion additional of housing mortgages under its general programs at public risk.

These are the programs for which additional authorization of $1.5 billion was provided in new legislation enacted in March.

This would be in addition to previous authorization which would be released by any repayments.

It would be in addition also to the unused authorization in the title I home-repair program.

And it would be in addition to the $1,350 million new authorization proposed in this bill for the new Wherry housing.

It would bring total authorization for general program insurance under FHA to $27 billion, exclusive of home repair and new Wherry programs.

As of March 31, more than 2 million loans had been insured under these programs for more than $19.6 billion, of which $17¼ billion are still outstanding.

REPLACEMENT VALUE FOR SLUM-CLEARANCE DWELLINGS

Section 102 (h) (pp. 6 and 7 of the bill) would repeal "appraised value" as the basis for the amount of construction and rehabilitation loans to be insured by FHA for dwellings in slum-clearance areas, and substitutes the old windfall formula of "estimated replacement cost."

Practically all of the windfall cases developed in last year's investigations had their origin in the exploitation of the "estimated replacement value" yardstick which allowed "mortgaging out" with loans far in excess of cost.

Now it is contended that builders are reluctant to go into FHA projects without this windfall device.

COST CERTIFICATION REPEALED FOR SLUM-CLEARANCE HOUSES

Section 102 (i) (p. 7 of the bill) would repeal the requirement for cost certification on small individual houses built under the program for housing families displaced by Government action in its slum-clearance program.

It is contended that no other FHA program for small individual houses requires cost certification.

REPEALING RESTRICTIONS ON SLUM-CLEARANCE HOUSING

Section 102 (j) (p. 7 of the bill) would amend section 221 of the 1954 Housing Act, which insures loans to build housing for people forced by the Government to move out of slum-clearance-program areas.

The amendment would make this housing available to all people in the slum-clearance area whether they were forced by the Government to move out or not.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Sections 103 (a) and 103 (b) (p. 8 of the bill) would change the 1954 Housing Act with respect to the Federal National Mortgage Association (FNMA).

Under the 1954 act, FNMA, in its secondary mortgage market operation, accumulates funds from private sources by requiring those who sell mortgages to the Association to invest not less than 3 percent of the outstanding balance of the mortgage sold.

This bill would reduce this requirement from 3 percent to 2 percent.

The committee says little private capital has been invested under the 1954 act, and evidently thinks a reduction in the investment percentage would result in greater investment.

Section 103 (b) would amend the FNMA charter to require the Association, in its secondary market operations, to buy mortgages in all sections of the country at the same rate.

Such a uniform price probably will result in bringing the purchase prices for all the paper purchased in all sections of the country to the maximum rate.

EXTENSION OF NONESSENTIAL EMERGENCY DEFENSE HOUSING

Section 105 (p. 9 of the bill) extends for another year so-called title IX for the insurance of emergency defence housing.

Norman P. Mason, FHA Commissioner, on page 69 of the committee hearings on this bill, said this program had been on a stand-by basis for the past year and that the program has "fulfilled its purpose."

But, as usual, there is reluctance to let one of these programs expire on its expiration date, and this bill would extend for another year the life of a program to insure emergency defense housing for which there is no longer any need.

There have been more than 54,000 loans under this program for more than a half billion dollars and there is still a half billion dollars in outstanding balances.

INCREASING APPROPRIATED FUNDS FOR SLUM CLEARANCE AND LIBERALIZING THE PROGRAM

Sections 106 (a), (b), and (c) (pp. 9 and 10 of the bill), increase Federal appropriations for capital grants to slum-clearance programs by more than a half billion dollars, increase amounts available to individual States by 100 percent, and legalize industrial use of slum-clearance areas and make funds available for this purpose.

This is a program which actually is operated by local housing authorities, with very little authority remaining in the Federal Government.

The program contemplates that the Federal Government will absorb two-thirds of the loss on the projects. Ordinarily this would be most, if not all of the cash loss, because the locality takes credit for its one-third of the loss in terms of street and other improvements which, in most instances, are already in the area.

Under this program the local housing authority acquires a so-called slum-clearance area, usually at exorbitant prices, clears it, and sells it again to somebody else for practically nothing—with the Federal Government taking the loss.

Section 106 (a) of this bill increases the authorization for appropriations to make capital grants to this program by $212.5 million to be available July 1, 1955; another $212.5 million to be available on July 1, 1956; and another $100 million to be made available by the President at any time.

Section 106 (b) amends the 1949 Slum Clearance Act to provide that any one State may have grants totaling 10 percent of available funds plus $70 million.

Obviously, this amendment is for the State of New York, which has exploited this program to its maximum, including use of cleared land to build a combination coliseum-office building. The fact that this structure recently caved in indicates the kind of jerry-building construction which may be expected to characterize these projects.

This is not all of the abuse and exploitation which have come to light in these programs. I have a letter from Mr. Albert M. Cole, HHFA Administrator, which discusses them in detail. And I have made this communication a part of the CONGRESSIONAL RECORD.

Section 106 (c) authorizes the acquisition of land by condemnation or otherwise from one private owner and its sale to another for development in industrial construction for private profit. In addition, this section provides that 5 percent of Federal funds allocated to a local public agency may be used to subsidize industrial development for private profit in this manner.

The slum-clearance program has been authorized to draw, and have outstanding at any one time, $1 billion from Federal debt receipts. To date it has had a $500 million authorization for appropriations to make capital grants, and it has used an estimated $58 million of this money. This bill more than doubles the appropriated funds for capital grants.

Section 107 on page 11 of the bill would enable Territories to participate in the slum-clearance program.

This could contemplate the reconstruction of nearly everything in Puerto Rico and a large part of Alaska.

PUBLIC HOUSING

Sections 108 (a), (b), (c), and (d) (on pp. 12 and 13 of bill) restore the total number of units to this program at 810,000 to be constructed at the rate of 135,000 units a year, with more than 135,000 units in the coming year, and eliminate the provision in the 1954 Housing Act which required that public housing projects be located exclusively in cleared slum clearance areas.

Under the public housing program, the Federal Government makes a series of preliminary loans to local housing authorities for advance planning and construction. After construction the local housing authority refinances the whole project with a long-term bond issue. As a permanent proposition the Federal Government appropriates annually to the local housing authority for operating costs as a means of guaranteeing low-rent housing.

Public Housing Authority is authorized to draw from the Federal debt $1.5 billion to be outstanding at any one time for its loan program. Since 1941 the actual contributions have totaled nearly $200 million. Expenditures on these programs from appropriated money got down to little more than $3 million a year in the immediate postwar period, but now they are running at nearly $50 million a year.

There has been little publicity on the scandals in the public housing programs, but I have placed in the record a communication received from Mr. Albert M. Cole, Housing and Home Finance Administrator, listing nearly 50 irregularities and illegalities in 18 States and Puerto Rico.

The substantive legislation authorization for public housing units has always been high. As usual it has been held down by appropriation bill riders limiting annual contributions and otherwise curbing the number of new starts under the public housing program.

The Housing Act of 1954 put a further limitation on public housing by providing that these projects could be built only in slum clearance areas.

This bill would eliminate the lashup with the slum clearance program.

Sections 109 (a), (b), and (c) (pp. 14 and 15 of bill) make special provision for housing elderly people—over 65—in public housing units and provide for the construction of an additional 50,000 units over a 5-year period, beginning in fiscal year 1956, for this purpose. These 50,000 would bring the authorized total of public housing units to 860,000.

Section 109 (a) permits single persons 65 and over to occupy these units. Section 109 (b) allows occupancy of married persons, one of whom is 65 years of age or over, to occupy the units, with preference of occupancy second only to people displaced by the slum clearance program. Section 109 (c) is more or less technical. Section 109 (d) provides for the additional units at the rate of 10,000 a year for 5 years ending in 1960.

TEMPORARY WAR HOUSING

Sections 108 (e) and (f) (pp. 13 and 14 of bill) give former owners of property taken for temporary war housing under the Lanham Act first preference in repurchase of the property when it is offered for sale in liquidation, and waive down-payment requirements in the sale of an Indiana project to a tenant co-op.

Lanham Act projects were financed exclusively from appropriations totaling $65 million. In the liquidation of these projects, repayments have totaled approximately $10 million.

HOME LOAN BANK BOARD AND FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Sections 110 (1), (2), (3), (4), (5), section 111, and section 112 (pp. 18 through 22 of the bill) would make the Home Loan Bank Board an independent agency, removing it from Housing and Home Finance Agency,

change requirements of member banks for stock subscription, provide for retirement of Federal Government stock in Federal Savings and Loan Insurance Corporation, allow the board to cancel membership of member banks, change the number of elected directors, and change the method of assessing Federal Savings and Loan Insurance Corporation fees.

Federal Government stock in Federal Home Loan Banks is now retired and no appropriation is made to the system, but there is a Federal contingent liability totaling $1,750,000,000.

At the time Government stock was being retired member banks were required to subscribe at least 2 percent of the aggregate unpaid principal of the home mortgage loans they held. This requirement would be reduced by 1 percent, under section 110 (1) of this bill.

Section 110 (2) would allow Home Loan Bank Board to cancel membership of banks with policies inconsistent with those of Federal Home Loan Bank Act.

Section 110 (3) is technical to complete the reduction of stock subscription to 1 percent.

Section 110 (4) allows an increase in the number of Home Loan Bank Board directors to a number up to twice the number of States in each Home Loan Bank district.

Section 110 (5) makes the Home Loan Bank Board an independent agency.

Section 111 removes the 2,500 limitation on loans by Federal savings and loan associations. The committee report says this limitation was inadvertently imposed under the Housing Act of last year.

Section 112 would allow the Federal Savings and Loan Insurance Corporation to retire Government held stock by issuing debentures for this purpose to Federal home-loan banks, and would enable the Federal Savings and Loan Insurance Corporation to charge admission fees commensurate with the cost of processing applications for insurance coverage.

To say that Government stock in the Federal Savings and Loan Insurance Corporation is one thing, but as in many of these Federal housing programs it is difficult to establish a clear straight record of how they were financed and their real fiscal responsibilities.

The Federal Savings and Loan Insurance Corporation is an example; when the Home Owners' Loan Corporation was established the Treasury was authorized to subscribe its capital stock of $200 million, and the Corporation was authorized to issue $4,750,000,000 of its own bonds guaranteed by the Federal Government. The Treasury issued notes to the Reconstruction Finance Corporation from which it got the $200 million, and the RFC drew the money from the Federal debt. The Federal Savings and Loan Insurance Corporation was formed as a sort of subsidiary of HOLC which subscribed to the new Corporation's stock for $100 million. Now the HOLC has been liquidated and the capital stock of the Federal Savings and Loan Insurance Corporation has been transferred to the Treasury, which also currently is trying to liquidate the RFC.

PERMANENT COMMUNITY FACILITIES PROGRAM

Sections 113 and 114 (pp. 26–28 of the bill) would make permanent the temporary Community Facilities Administration for public works planning by States and localities, authorize $48 million permanent revolving fund and provide that the cost of planning, borne by the Federal Government, that doesn't materialize does not have to be repaid.

Section 113 establishes a revolving fund to be made up of $10 million now available in appropriated funds, appropriation of $12 million July 1, 1956, another $12 million July 1, 1957, $14 million July 1, 1958, and the subsequent appropriation of such additional amounts as are necessary to maintain the revolving fund at a level of $48 million.

This money is loaned to State and local public agencies for advance planning of public works.

Continual appropriations to this fund are to be anticipated, because funds advanced for projects which do not materialize do not have to be repaid.

Any one State may draw down as much as 10 percent of the entire fund at any one time.

Section 114 increases the pay of the Community Facilities Commissioner.

The record of this program to date has been repayment of less than 50 percent of the loans. The program has received appropriations totaling $86 million. Repayments of loans have totaled little more than $30 million.

FEDERAL (PUBLIC FACILITY) LOANS FOR LOCAL PUBLIC WORKS

Sections 201, 202 (a), (b), (c), 203 (a), (b), 204, and 205 (pp. 29, 30, 31, 32, and 33 of bill) provides for direct loans or purchase of securities of States and localities for public works projects such as water, sewer, gas facilities, etc., with funds to be taken out of the Federal debt, with any repayments going into a revolving fund for turnover use. Section 201 makes this loan program a permanent Federal program.

Section 202 (a) authorizes purchase of securities of States and localities for this program, and authorizes direct loans for specific projects.

Section 202 (b) (1) (2) fixes the rules for assistance under this program and authorizes 40-year loans.

Section 202 (c) gives preference in this program to small towns.

Section 203 authorizes expenditure of funds from the Federal debt for these loans and security purchases.

Section 203 (c) sets up the revolving fund with repayments under the program.

Section 204 provides for administration of the program, and section 205 provides for the substitution of this program for similar provisions under RFC.

COLLEGE HOUSING PROGRAM TO LEND A HALF-BILLION DOLLARS OUT OF THE FEDERAL DEBT

Sections 301, 302, 303, and 304 (pp. 33–38 of bill) would liberalize Federal loans for so-called college housing by increasing the amount outstanding at any one time from $300 million to a half-billion, and make loans not only for student and faculty housing but also for cafeterias, dining halls, student centers, and unions, infirmaries or other outpatient or in-patient facilities, etc.

Section 301 of the bill expands the scope of the program beyond housing projects, precludes Federal loans if private offers are better, fixes the interest rate, raises the outstanding limit from $300 to $500 million and makes other rules.

Section 302 defines the term "development costs" to include other than student and faculty housing.

Section 303 redefines colleges to include junior colleges, philanthropic corporations.

In a recent letter, Albert M. Cole, Housing and Home Finance Administrator, has advised me that, in its housing program for student and faculty housing, HHFA, as of early this year, had commitments to 117 colleges and universities in 36 States for loans out of the Federal debt totaling over $110½ million, and that it has approved, pending final commitments, 14 additional loans totaling $8.8 million.

These colleges and universities are both State and private and to qualify for the loans under the law they had to show that they were unable to secure the necessary funds for such housing from other sources upon terms and conditions generally comparable in terms and conditions applicable to loans under this title of the National Housing Act.

Under the act these direct loans from the Federal Government, to be financed out of the Federal debt, bypassing appropriation procedure, may be for terms up to 40 years putting their maturity virtually at the eve of the 21st century. The Housing Administration appears to be encouraging 40-year debts for both private and State colleges and universities to the Federal Government.

NEW WHERRY HOUSING

Title IV (pp. 38 through 60 of the bill, inclusive) would establish a new 3-year, $1,350,000,000 Wherry housing program for construction of projects on or near military installations for military and civilian personnel of the military departments.

It would authorize military departments to initiate projects with builders who, with FHA-insured 30-year loans from private institutions, would build the projects. Upon completion the Defense agency would assume the mortgage. The theory of the proposal is that quarters allowances, to be withheld from military personnel over the years would pay off the mortgage.

Section 801 (p. 39) would define mortgagor to include the United States acting through the Secretary of Defense or his designee.

Section 802 (p. 40) would create a separate military housing insurance fund, outside of FHA, for the Reserves in this program.

Section 803 (p. 40) would authorize the use of $1,350,000,000 of public credit as the maximum to which these loans could be insured. This would be in addition to the $27 billion authorization for other FHA programs.

This section extends the program to June 30, 1958, gives the Secretary of Defense or his designee complete authority to determine need for projects, bases the amount of the loan on estimated replacement costs, allows costs to average $13,500 per unit, prescribes competitive bidding, and fixes mortgage maturity at 30 years, with 4 percent interest.

Section 804 (p. 50) provides for payments by the military into the military housing insurance fund.

Section 805 (p. 51) repeals reference in previous Wherry Act to the military leasing act provisions which were designed to make Wherry projects subject to local real estate taxes.

Section 807 (p. 52) would authorize the military department secretaries to "lease or sell" land to effectuate the purposes of the program.

Section 808 (p. 52) establishes a new "special assistant to the FHA Commissioner" to promote new Wherry housing.

Section 809 (p. 53) eliminates the requirement for builders of new Wherry projects to make a cost certification.

Section 402 (p. 53) would authorize FNMA to commit itself to the purchase of new Wherry mortgages.

Section 403 (p. 53) would authorize the Secretary of Defense to contract with eligible builders, after competitive bidding, for construction on land owned or leased by the Government; defines an eligible builder as a person, partnership, firm, or corporation qualified by experience and financial responsibility to build the project; and would authorize the Secretary of Defense or his designee to acquire by lease or otherwise housing constructed under new Wherry contracts, assume or guarantee payment of notes, mortgages, or other legal instruments acquired by FHA in connection with the mortgage insurance, and guarantee the Armed Service Housing Mortgage Fund against loss.

Section 403 also would provide that rentals on these properties during any year would not exceed an average of $90 per month per unit.

Section 404 (p. 55) would authorize the Secretary of Defense or his designee to acquire previous Wherry projects by purchase, donation, or other means including condemnation.

Section 405 (p. 56) would authorize the Secretary of Defense or his designee to assign quarters in these projects to military and civilian personnel and their dependents, and withhold quarters allowances or appropriate allotments from military personnel overseas as rental.

Section 405 provides also for payment from quarters allowances withheld of "all expenses of capitalization, operation, and maintenance."

Section 407 (p. 59) would "authorize to be appropriated such sums as may be necessary to carry out" the program.

Section 408 (p. 59) increases the maximum amount of individual project loans to be insured from $5 million to $12.5 million.

Under this legislation loans would be insured for the estimated replacement cost.

Requirement for cost certification would be repealed.

A builder could "mortgage out" with an insured loan far in excess of cost.

The military would assume the excessive mortgage.

This is a return to the "mortgaging out" windfall formula to a degree worse than any of the scandalous loopholes left in previous housing legislation.

The legislation raises the following questions:

Where is the requirement for the military ever to take title to the property?

Would the Government take over the builder's company with all of its assets and liabilities when it assumed the mortgage?

Where is the reason for these contracts to be subjected to renegotiation as suggested in the committee report?

Where is there a requirement to have this program conform with military housing policy, if there is a policy, in relation to appropriated housing, section 222 housing, etc.?

The bill authorizes appropriations to pay the costs of the program but says appropriated quarters allowances are to be withheld for this purpose. Does this contemplate double appropriations?

Provision is made to withhold quarters allowances and allotments for military personnel in lieu of rent, but where in the bill is provision for payment of rent by civilian employees; what will be the formula for rentals charged civilian employees; what would be the machinery for collecting rentals from civilians; if rentals were collected from civilians would they go into miscellaneous receipts of the Treasury?

Would the Federal Housing Administration exercise any control over construction of these projects where they would be in unnecessary competition with civilian projects in the same area insured under other FHA programs?

What is in the bill to prevent military departments from evading competitive bidding requirement by classifying these new projects as merely extensions of existing projects and arbitrarily giving the contracts to the builder who constructed the prior project? What provision is in the bill to prevent the builder from renting units as they are completed, before the military takes over, and pocketing the rental proceeds 100 percent as they are doing now in many projects?

Does this bill contemplate that the military departments will come into agreement with Congressional Armed Forces Committees on these projects as is now required in connection with military acquisition of other real estate?

Where is the commonsense in having one Federal agency assume a mortgage insured by another Federal agency with provision for a third Federal agency to buy the paper?

Can this Congress bind future Congresses either to appropriate funds to meet the cost of these mortgages or to keep quarters allowances for military personnel at a level sufficiently high to meet the costs?

Is the whole scheme not a subterfuge to avoid direct debt by the Federal Government by assuming the obligation of mortgages, insured by another Federal agency in the nature of a contingent liability?

Will not military personnel be required to pay with their quarters allowances, for 30 years to come, excess rentals to cover cost of excess loans for the benefit of "mortgaging out" builders?

NEW PROGRAM FOR SMOKE ELIMINATION AND AIR POLLUTION PREVENTION

Title X (pp. 60 through 67, inclusive, in the bill) would add a whole new housing program to undertake the elimination of air pollution caused by smoke, fumes, gases, etc.

The program would contemplate research to determine causes and effects, to develop devices and methods for preventing or eliminating air pollution and to provide guidance and assistance to States and localities for the same purpose.

Appropriations are authorized to enable the Secretary of Health, Education, and Welfare to enter into 4-year research contracts, make grants to public and private agencies for research, training, and demonstration projects; and to enable the Housing and Home Finance Administrator to make loans to business enterprises and purchase their obligations for installation or construction of devices to eliminate air pollution.

The committee declined, according to its report, to write a limitation of $3 million on research. As it stands the bill carries no limitation on funds for this new program except as may be exercised through annual appropriations, and that will be difficult because the program contemplates contractual obligations.

CONTINUATION OF DIRECT AND INSURED FARM HOUSING LOANS

Title VI (pp. 68 and 70 of the bill) continues the program for direct loans and insured loans for farm housing under the Department of Agriculture. Extension would be for 1 year.

Heretofore this program has been limited to direct loans from appropriated funds. This bill extends the direct loan program, and in addition provides for insurance of farm housing loans to a total of $100 million at public risk. The insurance machinery would be under the Farmers' Home Administration.

This program, under the Department of Agriculture, to a large degree duplicates and overlaps the Farm Housing Insurance program under the FHA now that the insured loan feature has been added.

The direct loans under the Department of Agriculture were started in 1949, and to date gross loans under the program have totaled $97 million in 19,000 loans.

FAIR LABOR STANDARDS AMENDMENTS OF 1955

Mr. DOUGLAS obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Illinois may be permitted to report the bill (S. 2168) to amend the Fair Labor Standards Act of 1938.

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

Mr. DOUGLAS. Mr. President, I report from the Committee on Labor and Public Welfare an original bill (S. 2168) to amend the Fair Labor Standards Act of 1938, in order to increase the national minimum wage, and for other purposes, and I submit a report (No. 498) thereon.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2168) to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes, reported by Mr. DOUGLAS, from the Committee on Labor and Public Welfare, was received, read twice by its title, and placed on the calendar.

Mr. DOUGLAS. Mr. President, the Committee on Labor and Public Welfare has reported a bill to amend the Fair Labor Standards Act, about which I think we shall hear later from the majority leader. I wish to express my thanks to the other members of both the subcommittee and the full committee for their cooperation, and also my thanks and appreciation to the members of the staff for the fine work which they did in preparing the bill, in helping to edit the testimony, and in preparing the report.

The testimony will be in 3 volumes, running to over 2,000 pages. The report is quite voluminous, and will be on the desks of Senators tomorrow.

Since action on the housing bill has been completed today, I hope the decks have been cleared for a discussion tomorrow of the bill which I have reported.

In brief, the committee, by a quite decisive vote, approved the raising of the basic minimum wage from 75 cents an hour to $1 an hour, to be effective the 1st of January 1956.

TRANSMISSION LINES FOR THE TVA

Mr. KEFAUVER. Mr. President, I was informed just a short while ago that the House Public Works Appropriations Subcommittee this afternoon voted 9 to 6 to knock out the $6½ million appropriation from the TVA budget to build transmission lines out to the middle of the Mississippi River to pick up Dixon-Yates power. The House subcommittee applied that money instead to start construction on the Fulton steam plant.

This is good news. Just a few days ago, with magnificent disdain for the Congress, for the Securities and Exchange Commission, which has yet to approve its debt-financing plan, for the feelings of the people of the valley, the team of Dixon and Yates staged a gigantic celebration in West Memphis, Ark., and broke ground for their plant.

This action of the House committee, I trust, will show them that they were a bit premature.

They may break ground, they may start building a plant, but there are still many of us who are determined that not one kilowatt of power from that plant will ever go into the lines of the TVA system.

And in this determination I can assure you, Mr. President, that we have the support of considerably more than 90 percent of the citizens of the valley—the local people if you please.

SUSPENSION OF CERTAIN IMPORT TAXES ON COPPER

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 406, H. R. 5695.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 5695) to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, it is not the purpose of the leadership to have the bill debated this evening. The bill, the hearings, and the report, are all available to the Members of the Senate.

The senior Senator from Nevada [Mr. MALONE] expects to discuss the bill, and after the morning hour tomorrow it will be laid before the Senate for debate.

I shall be glad to keep the Senate in session as late as is necessary to afford every Senator an opportunity to place material in the RECORD and to make whatever statements he may desire to make.

For the information of my colleagues, I may say there will be no further rollcalls tonight.

Mr. AIKEN. Mr. President, does the Senator from Texas contemplate seeking any unanimous-consent agreements this evening?

Mr. JOHNSON of Texas. No.

LYNDON B. JOHNSON OF TEXAS

Mr. HUMPHREY. Mr. President, I rise to express my appreciation to the Members of the Senate for their cooperation in making it possible for me to vote in favor of a progressive and decent public housing bill this afternoon. Most particularly, I desire to express profound thanks to the distinguished majority leader, my friend, the senior Senator from Texas.

An airplane leaving Minneapolis at 7:30 a. m. and scheduled to arrive in Washington at 2:30 this afternoon, on which I was a passenger, was delayed, due to bad weather, and did not arrive until 4:45. The delay in the vote until my arrival could only have come about as a result of cooperation from both sides of the aisle, and I am grateful to my colleagues.

At this time I also want to pay public tribute to the majority leader for his leadership in behalf of an effective Democratic Party liberal program. The Senator from Texas is a genius in the art of the legislative process. His talents, his personality, and the strength of his character are dedicated toward making the legislative process work as an effective instrument for democratic government. I do not always agree with his personal position on all issues that arise in the Congress. Honest men and liberal men differ because they have different backgrounds, different experiences, different convictions, and look at the world through their own particular sets of eyes.

I know, however, that the purpose of the Senator from Texas is to direct Congress so that its legislative behavior is a humanitarian one, consistent with the basic tenets of the New Deal and the Fair Deal. I know him to be an energetic supporter of a good housing program, adequate minimum wages, liberal social security protection, public power, and a prosperous agricultural economy, and a strong supporter of an internationalist spirit in American foreign policy. I have no hesitation in saying that I am proud of the leadership and of the skills portrayed by the Senator from Texas on the floor since he assumed leadership on this side of the aisle in January, 1953. I have no hesitation in saying, furthermore, that I am proud of having voted for him as minority leader and then as majority leader.

Mr. CAPEHART. Mr. President, we on this side of the aisle appreciate the compliment of the Senator from Minnesota upon our cooperation with him, so that he might arrive in time to vote on the housing bill. We knew all the time where the Senator was, but we did not know when he was going to arrive.

Mr. HUMPHREY. Neither did I.

Mr. CAPEHART. We also knew how the Senator from Minnesota would vote, but that made no difference to us on this side of the aisle. We were anxious to have him land safely and to reach the Senate in time to vote. The majority leader cooperated with the Senator from Minnesota, as did all the others of us.

We hope that if some day we on this side of the aisle are unable to land because of bad weather, the Senator from Minnesota will return the compliment and wait for us, so that we may be given an opportunity to vote.

Mr. HUMPHREY. I thank the Senator from Indiana. He is always a gentleman. I hope I shall be able to reciprocate his excellent example.

Mr. DOUGLAS. Mr. President, I join with the Senator from Minnesota in expressing my appreciation for the very skillful leadership of the Senator from Texas in expediting the passage of the housing bill. I am frank to say I did not think it would be possible to defeat the Capehart amendment. I do not know the precise method by which the Capehart amendment was defeated, but it was due to the extraordinary political virtuosity on the part of the leader of the Democratic Party in the Senate, and I wish to thank and congratulate him.

I also wish to thank Senators on the other side of the aisle who joined today with Senators on this side of the aisle, not as partisans, but as Americans, in voting their convictions, and to whom we really owe the passage of the bill. I express my deep gratitude and appreciation for their nonpartisan action in helping to put through, not a democratic program solely, but rather, a program which, if continued, will be very beneficial to the families, especially the children, of the United States.

Mr. JOHNSON of Texas. Mr. President, what the Senator from Minnesota [Mr. HUMPHREY] has said touches me. I appreciate his feelings toward me, as I do also the very kind and generous things said by the Senator from Indiana [Mr. CAPEHART] and the Senator from Illinois [Mr. DOUGLAS].

I may say to the Senator from Illinois that he was not alone in thinking that the Capehart amendment would be adopted, because I was as positive as I could be, when the yea-and-nay vote began, that it would be agreed to.

I may say to the Senator from Minnesota that the result of the vote shows that we ought to join the company of Dr. Gallup, because we are very poor pollsters.

I deeply regretted the circumstances in which the Senator from Minnesota found himself this afternoon. Upon checking, I learned that his plane was over Pittsburgh. Under the unanimous-consent agreement the Senate would not ordinarily have voted until at least mid-afternoon, or perhaps until 4 or 4:30 o'clock. There were several amendments offered. A very unusual thing happened with regard to those amendments. In the Senate we usually use substantial time on amendments, but because of the cooperation which has always existed in the Banking and Currency Committee, under the chairmanship of our late beloved friend, Burnet Maybank, and under the chairmanship of our friend, the senior Senator from Indiana [Mr. CAPEHART], and now under the chairmanship of the Senator from Arkansas [Mr. FULBRIGHT], the members of that committee, both majority and minority, even though they may have differed, have always been agreeable to procedures which would serve the convenience of most Members of the Senate.

There could have been an unpleasant situation this afternoon. I hope we do not find ourselves again in the same situation as faced us today. We did not wait on the vote in order to get the vote of the Senator from Minnesota. Frankly, I did not think it would make any difference. I thought we would need 5 or 6 votes in order to defeat the amendment. But we waited because we were constantly being told that it would be just a few minutes before the Senator arrived. First we were told it would be 4:30, then 4:40, then 4:45. We knew of the deep interest which the Senator from Minnesota had in the pending legislation; how long he had worked on the subject, how many speeches he had made on it, and the example he had set as mayor of Minneapolis and we knew he had left Minnesota and would fly a good part of the day in order to vote on the bill. Since it would not inconvenience Senators, since we had no other legislation pending today, and since there were other amendments which could be considered prior to the vote on the Capehart amendment, we thought it would be good legislative procedure to serve the convenience of Members, as long as we could do that and still serve the public interest.

The minority leader and I had some discussion about the delay. It was a

pleasant discussion. It was a friendly discussion.

I would not say he was a party to the arrangement and that he was cooperating to protect the interest of the Senator from Minnesota, but I will say I have never served with a better minority leader or one with whom I had rather work. He understood my position, and I hope Senators on this side of the aisle will understand mine when I find myself in the same position and I reciprocate, which I shall do.

I think in this life one does not get any more than he gives. One has as friends persons who are just about the same as he is.

I am glad to say we have disposed of a very controversial bill. Many Members do not approve of a lot of things in the bill. That is true of almost every bill that is passed. I am also sure the House will make many changes in the bill. The bill has been disposed of without rancor or bitterness. Every Senator has had a fair opportunity to express and record himself. That was not due to any astuteness or any other quality which may have been attributed to the majority leader, but it was due to the helpfulness of all my colleagues, and particularly colleagues on the minority side, who were waiting on the majority leader.

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

Mr. JOHNSON of Texas. I yield.

Mr. SPARKMAN. I should like to take this opportunity to add a word, particularly in view of the statement which has been made by the majority leader that the action this afternoon was not due to his astuteness. I would certainly say it had a great deal to do with the passage of the bill—that coupled with hard work, much work, and energetic work. I wish to pay my respects and express my appreciation to the majority leader for the very fine help which he gave on the bill.

Mr. President, I wish to take a half minute to say this was a very important bill. If enacted the Federal Government will become involved to the extent of probably as much as $10 billion a year. So it is serious business we have been handling. I mention the bigness and the seriousness of it in order to point out the fine cooperation which was obtained not only from members of the Committee on Banking and Currency, but from all Members of the Senate on both sides of the aisle, in handling this very important and very big piece of proposed legislation. I wish to express my appreciation to all for the manner in which it was done.

Mr. JOHNSON of Texas. I wish to express my gratitude to the housing authority of this body, the man who has done more to build more houses than has any other man, the distinguished chairman of the subcommittee, JOHN SPARKMAN. I worked with him many years in the House and in the Senate. There is no more effective, efficient, and finer Senator than he. I appreciate what he has done.

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

Mr. JOHNSON of Texas. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, first I should like to join with other Senators who have expressed appreciation for the way the housing bill has been handled by the majority leader, by the chairman of the subcommittee, by the chairman of the full committee, and by other Senators who have been interested in the bill. It is forward-looking legislation, and there is no legislation in which the people of my State are more interested than housing legislation. I am sure they will join with me in expressing this appreciation.

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

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, as a member of the Committee on Banking and Currency, I wish to express my deep appreciation for the magnificent job which JOHN SPARKMAN has done over a period of many months in connection with the important housing bill which the Senate has just passed. After all, Mr. President, it has been JOHN SPARKMAN who really has been the generating force behind this bill, which is of great importance, in my judgment, to the American way of life.

Congress is in the process of appropriating huge sums of money to help unfortunate persons abroad and to check the advance of communism in various areas of the world. On many occasions I have been heard to say that the primary obligation of Congress, legislatively speaking, is always to seek to translate the system of human rights and property rights which comprises our form of government into legislation which will promote the general welfare. If that is not the primary purpose of a free government, then it has no primary purpose.

In dealing with the piece of housing legislation to which the Senator from Alabama [Mr. SPARKMAN] has made so notable a leadership contribution, we are doing two very important things, in my judgment. First, of course, we are promoting the general welfare and are keeping faith with the fundamental purpose of our free society. But we are also placing a very effective check upon communism within our Nation, or at least an effective check upon ideologies which are irreconcilable with a free society, because there can be no question that home ownership or, if the individual concerned is not a home owner, then the renting of homes, contributes to the maintenance of a decent standard of living and proper family relations. I know of no better check upon communism than decent home conditions. I think that with every slum we clear, we deal a body blow to subversive influences within our land.

Mr. President, it is easy to say that one program is more important than another. This afternoon I shall not speak in terms of comparison. But I say that as Congress seeks to promote the general welfare by means of a housing program such as the one the Senate has approved this afternoon, we are taking very real and effective steps to provide checks against subversive influences in our Nation. We need have no fear of the loss of freedom in the United States so long as we continue to do what we can to increase private home ownership and to provide decent living quarters for those who cannot own their own homes.

Therefore, Mr. President, I think the Senator from Alabama [Mr. SPARKMAN] today is deserving of great credit for piloting through the Senate a housing bill which really, to the extent that Federal dollars are involved, will result in having dollars spent for the purpose of strengthening our Nation's system of economic freedom, which we call enlightened capitalism, insofar as economics is concerned, and which we call representative government, insofar as politics is concerned.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. HUMPHREY. I should like to join the Senator from Oregon in paying an appropriate tribute to the Senator from Alabama [Mr. SPARKMAN]. The bill the Senate has passed today means a great deal to the State which I, in part, represent in the Senate. The bill means a great deal to my home city of Minneapolis and to the people of that city.

I concur in the views the Senator from Oregon has expressed in regard to the leadership of the Senator from Alabama and his dedication to this particular program.

Let me say to the majority of the committee who reported the bill that I believe we owe them a deep debt of gratitude and appreciation.

Mr. MORSE. Mr. President, I share the views of the Senator from Minnesota, as he has just expressed them.

As a member of the Banking and Currency Committee, I wish to say that I am very proud of the bill we brought to the floor of the Senate—which bill, through the leadership of the Senator from Alabama, was passed this afternoon by the Senate.

Mr. President, having made these comments about the Senator from Alabama, I desire to refer to two other Members of the Senate, both of whom are now on the floor.

First, I wish to join the Senator from Minnesota in the tribute he paid to the majority leader, the distinguished senior Senator from Texas [Mr. JOHNSON]. The majority leader has demonstrated again, this afternoon, his parliamentary excellence, his capabilities of floor leadership, and his dedication to carrying out the will of the majority. In this instance the will of the majority happens also be his will. But on other occasions, when he was not on the same side of an issue with me, I have seen him exercise the same leadership he exercised this afternoon, once he knew what the will of the majority was. Mr. President, no matter how great a compliment I pay him regarding the work he has done today on the floor of the Senate, I do not consider that I am in the slightest degree or to the slightest extent engaging in flattery when I commend the majority leader, the distinguished senior Senator from Texas, and congratulate him upon his cooperation with the Banking and Currency Committee in connection with the presenta-

tion this afternoon of this very important bill.

Mr. President, to the distinguished senior Senator from California [Mr. KNOWLAND], let me say that although he and I sometimes do not see eye to eye upon substantive matters, I think it is interesting to note how, over the past years, we have seen eye to eye on the matter of procedural fairness. Time and time again, when I have been a very small minority in the Senate on some issue, the Senator from California has gone out of his way, not to protect my rights, but to protect procedural rights in the Senate. When that is done, Mr. President, the rights of every Member of the Senate are protected, regardless of whether he is on the same side of the issue with any one of us in any given instance.

Not only that, Mr. President, but with the protection of procedural rights, there goes along also the protection of the courtesies which Senators are entitled to receive from each other. This afternoon the minority leader demonstrated again that, after all, from the standpoint of parliamentary tactics, one could have stuck to the so-called letter of procedural law in the Senate, or one could cooperate, as the minority leader did, in adjusting to the emergency situation confronting the Senator from Minnesota [Mr. HUMPHREY]. I think that was a wonderful example to the country of what senatorial courtesy really means. Certainly every Member of the Senate owes a word of thanks to the Senator from California for the courtesy he extended this afternoon through his minority leadership, to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. HUMPHREY. Let me say that I appreciate the courtesy of the Senator from Oregon in yielding to me, so that I can express personally my thanks to the Senator from California [Mr. KNOWLAND]. I think he knows from me, privately, that I have the highest regard and the greatest respect for him. Although at times we disagree on basic issues, that is only an indication that we have points of view and convictions.

I think we have been taught many good lessons by the two leaders on this floor. They have taught us that in battling out the issues, we can do so as gentlemen, and thus can raise the stature of the United States Senate as the greatest parliamentary body in the world. As to that, Mr. President, I should like to dedicate my energies. Certainly we have here some good teachers who have given us excellent guidance.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield to me at this point?

Mr. MORSE. I yield.

Mr. KNOWLAND. Mr. President, I wish to say that I am mindful of the kind remarks of both the Senator from Oregon [Mr. MORSE] and the Senator from Minnesota [Mr. HUMPHREY]. Sometimes in this Chamber we come out on the long end of a yea-and-nay vote, and sometimes we come out on the short end. Today, I happened to be on the short end. Nevertheless, I believe it is true that after we have our discussions and after the debate has ended, it is vitally important that proper procedural operations be maintained in the Senate, and, certainly, that every reasonable courtesy be extended to the Members on both sides.

Mr. MORSE. Mr. President, I thank the Senator from California.

Mr. JOHNSON of Texas subsequently said: Mr. President, I should like to say to the Senator from Oregon that I deeply appreciate the kind and generous things he has said about me. Moreover, I appreciate the efficient contribution which the Senator has made to the Senate during my term of service, and his willingness always to cooperate with me in my responsibilities as majority leader or minority leader.

Mr. MORSE. I thank the Senator.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

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

Mr. JOHNSON of Texas. It is intended that the Senate shall proceed with the discussion of the copper bill tomorrow. Following disposition of the copper bill, it is planned to proceed to the consideration of the minimum-wage bill reported by the Committee on Labor and Public Welfare.

THE ECONOMIC PRODUCTIVE POWER OF OUR NEIGHBORS TO THE SOUTH AS AN EFFECTIVE CHECK ON COMMUNISM

Mr. MORSE. Mr. President, I wish to say a word about an item which I propose to ask unanimous consent to insert in the RECORD as a part of my remarks. I wish to say what I have to say as chairman of the Subcommittee on South American Relations of the Foreign Relations Committee.

The contents of the article seem to be somewhat different from the advice and information which we receive from the State Department. I think it is important that we find out what the facts are. I do not claim to know the facts, but I read from the McGraw-Hill American letter of April 16, 1955, entitled "Mexican Air Mail Edition." The item I read is under the heading, "Bankers and Businessmen Here Are Convinced That PEMEX Is a Genuine Success."

PEMEX is the nationalized oil corporation of the Republic of Mexico, which was set up following the expropriation of American oil interests in Mexico in the late 1930's. I have always been in complete disagreement with the policy of expropriation, because I do not believe that nationalization of foreign investments is the way to create international good will and understanding.

Nevertheless, it would seem that considerable provocation was afforded by foreign oil interests in Mexico, including not only American, but British, Dutch, and other oil interests, which led to this extraordinary action on the part of the Mexican Government.

Irrespective of the merits of the causative factors which led to the expropriation, the fact is that we have here an article published by a very reliable American publishing house—certainly a conservative publishing house—which tells the reader that PEMEX has proved to be a genuine success. The article says in part:

> The long period of doubt in some United States business circles that PEMEX could ever stand on its own feet has finally been dispelled. Recent report on status of Mexico's oil industry by Antonio Bermudez, head of PEMEX, has convinced even the most skeptical American businessmen that the agency has a bright and stable future. There is also a general belief here that Mexico's petroleum industry will remain nationalized.

Mr. President, I ask that the entire portion of the McGraw-Hill American letter dealing with the PEMEX item be printed in the RECORD at this point, as a part of my remarks.

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

BANKERS AND BUSINESSMEN HERE ARE CONVINCED THAT PEMEX IS A GENUINE SUCCESS

The long period of doubt in some United States business circles that Pemex could ever stand on its own feet has finally been dispelled. Recent report on status of Mexico's oil industry by Antonio Bermudez, head of Pemex, has convinced even the most skeptical American businessmen that the agency has a bright and stable future. There is also a general belief here that Mexico's petroleum industry will remain nationalized. Despite this, a rumor is circulating in Washington that a former Mexican Ambassador to the United States, Antonio Espinosa de los Monteros, is here trying to negotiate for American oil companies to return to Mexico. Trade circles interviewed by the American letter do not regard this as a serious possibility.

Business leaders in this country consider the most important aspect of Bermudez's report to be the description of Pemex's plan to refine all of its production and not to continue supplying crude to other industrial nations. It is expected that for the long term this program will mean a boost in Pemex's income of from 400 to 500 percent above the period when the oil agency exported surplus crude and imported refined products. Washington sources comment that this plan will increase Mexican oil value from $2 to $2.50 per barrel to $10 or $12 per barrel. Texas oil people believe the Washington estimate is low. They say it would be much higher if total benefit to Mexico's economy is considered.

Mr. MORSE. The thing which concerns me is that for several years we have continually been advised by State Department officials that the national oil policy of Mexico is resulting in unsuccessful operations, and that loans to Mexico from the Export-Import Bank, or any aid loans to Mexico by the United States Government, are opposed by the State Department. That is a bit difficult for me to understand. There are ugly rumors to the effect that the policy of our State Department, or at least of some officials of the State Department, may be somewhat closely related to the clientele of powerful American law firms.

I believe that we must look to the nations to the south of us to a greater extent than we have been looking, from the standpoint of doing what we can to build up their economic productive power as one of the most effective checks we have on the spread of communism to the south of us.

I think we need to be very careful not to follow an economic foreign policy of dictating to another country what its internal economic policies shall be. We need to look into the question of whether or not our State Department is following an attitude toward Pemex that is subject to the interpretation in Mexico that if Mexico operates her oil industry to our liking, and in accordance with our policies, there will be money available for loans to Mexico for oil development, but that if she does not yield to our notions as to how she should develop her oil industry, loans will not be available.

If that is the position of our State Department, then I say most respectfully that that is not the way to build up good relations.

I do not believe it is wise for us in our relations with Mexico, or any other South American country—or any country, for that matter—to indicate, intimate, or even by innuendo suggest, that loans will be dependent upon the particular country following an internal economic policy to our liking in regard to any particular industry, because if we could do that, or if we should do it with regard to the Mexico oil policy, we could very well do it in regard to an electric power policy, or a transportation policy, or in connection with any other economic problem in a given country.

In my judgment, the result of such a course would be to create the kind of doubts and fears which I found in the mind of a foreign Ambassador who conferred with me at some length this afternoon. He is not an Ambassador from a Latin American country, but he expressed to me great concern over the economic foreign policy of the United States in areas of Asia in which, according to his sights, apparently our aid is determined by whether or not the government of a particular country follows the demands or dictates, or at least the very emphatic suggestions, of the United States State Department as to the internal economic policy of that country.

American economic "imperialism" or "colonialism" may take the form of economic pressures through the exercise of which we may make the administrators of a foreign-aid policy in a particular foreign country really puppets of our State Department; or, if they are unwilling to serve in that capacity, the loan or aid is not granted.

Mr. President, I am a strong supporter of foreign aid; I am particularly a strong advocate, as I pointed out in a speech on the floor of the Senate the other day, of increasing our loans and our investments in foreign countries, rather than granting money; but I wish to suggest and to stress—and the McGraw-Hill publication raises the issue—that our State Department ought to be very careful to guard against giving the impression abroad that we will help a democratic country only if that democratic country does our bidding economically so far as internal economic policy is concerned.

The fact is that Mexico, to the south of us, is one of the outstanding free nations of the world, and her friendship is of vital importance to the United States, as is the strengthening of her economic system. Therefore I hope that evidence cannot be advanced which substantiates the views and contentions of some persons that the State Department and the Export-Import Bank have been following a discriminatory policy against the Government of Mexico so far as loans for the development of her oil industry are concerned.

I do not like socialism, nor do I like the nationalization of industry; but we might as well face the reality that economically other nations are not going to "copycat" us completely. We cannot talk about self-determination and about freedom in relation to other countries unless we are willing to protect our own ideals. One of our ideals is that if the American people decide they want, for example, to nationalize an industry—and I would fight such a program so far as the exercise of political rights are concerned—it, nevertheless, falls within the rights of our people to do so. Or, if people in a given region want to be served by a public dam and get their electric power through a Government-owned dam or through a municipally owned electric power system, it is a part of freedom, it is a part of their rights under democratic processes to make the decision for themselves.

If that be true at home, I think we should be wary about taking a position that any loan from the Export-Import Bank or any grant of aid from the State Department must be dependent upon the recipient country following an economic form in respect to a particular industry which in effect is dictated by the State Department or by the Export-Import Bank.

I make these comments today as chairman of the Subcommittee on South American Affairs of the Committee on Foreign Relations because I believe the contents of this letter call upon the State Department to clarify the positions it has taken in the recent past in regard to Pemex in Mexico.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point in my remarks a second item appearing in this McGraw-Hill publication, entitled "United States Capital Pours Into Latin American Oil Development." This article is very much to my liking because it shows what is happening as a result of American investments in some other countries in South America, particularly Venezuela and Argentina, in connection with the development of the oilfields of those countries. I think it is very interesting that these two items appear in this one newsletter of McGraw-Hill.

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

UNITED STATES CAPITAL POURS INTO LATIN AMERICAN OIL DEVELOPMENT

Mexico and Brazil are the only Latin American oil-producing nations that are resisting the lure of United States millions in development capital. A 3-year survey just completed by the Chase Manhattan Bank shows that other Latin American countries are easing curbs on foreign oil investment. American businessmen are preparing for large new investments below the border. Most of the money will go into Venezuela, which has become the world's leading oil exporter. However, many republics are now seeking to follow the Venezuelan example.

Argentina's agreement with three companies was hailed here as a significant step that may soon be followed by similar action elsewhere in Latin America. Standard Oil of New Jersey, Royal Dutch Shell, and Standard Oil of California will develop Argentine concessions where the Government-owned petroleum company is not working. Plans are to boost Argentine production to 8 million barrels in 2 years and to 20 million in 5 years. Buenos Aires now has to spend $200 million a year on oil imports.

Representatives of several major United States oil firms are in Guatemala. They expect to gain far-reaching exploration and development concessions from the friendly Castillo Armas government. Colombia has announced a decision providing greater tax incentives to foreign oil companies. Her net exports are declining because of the spectacular rise in consumption—up 80 percent since 1950. Output has increased only 18 percent, but new areas of potential production are difficult to reach and expensive to explore. Peru has already modified her laws. These are attracting substantial investment. Consumption is rising at such a rapid pace that Peru may soon switch from a net exporter to a net importer of petroleum.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point the contents of a special report and analysis of the business outlook of Mexico, published by a division of the Bureau of National Affairs of Washington, D. C. It is entitled "Mexico Is Headed for Best Year in Its History."

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

MEXICO IS HEADED FOR BEST YEAR IN ITS HISTORY

The current surge in business activity here in the United States is making itself felt south of the border, too.

Indeed, Mexico's economy—like this country's—has already recovered the ground it lost during its recession in 1953 and 1954.

And prospects for further gains are bright. Like the United States—and Canada, too—Mexico is now well on the way to the best year in its history.

This foreshadows new and bigger opportunities for United States businessmen—through sales of their products (Mexico is our fourth biggest customer) or through investment in Mexico's growing industry.

REACTION TO KOREA

As was the case with her two northern neighbors, Mexico's recession was a reaction to the Korean boom.

The downturn got underway early in 1953, a few months before it began to show here.

The first sign of trouble was a sharp increase in Mexico's foreign-trade deficit and

a heavy drain on her currency reserves. (Remembering the shortages of American goods that followed Pearl Harbor, Mexicans went on an all-out importing spree when fighting started in Korea.)

A big drop in buying of raw materials by the United States aggravated the trouble.

Almost at once Mexico's foreign-trade deficit began to skyrocket. From a manageable $90 million in 1950, the total jumped to $249 million in 1951; 2 years later it reached a record $275 million.

The country can normally balance a modest trade deficit with tourist income. But the swollen figures of the early fifties were something else again. Doubts about the soundness of the Mexican economy led many investors and businessmen to retrench—and to pull money out of the country—adding to the drain on reserves.

On top of all this came the impact of lower activity on this side of the Rio Grande.

Mexican economic trends, 1948–54

[Millions of dollars]

	1948	1949	1950	1951	1952	1953	1954
Gold and dollar holdings	78	126	291	275	272	240	155
Total exports	466	466	466	573	581	536	552
Exports to the United States	359	367	433	444	410	355	328
Total imports	561	457	556	822	808	811	712
Imports from the United States	458	398	430	638	666	646	628
Wholesale prices (1948=100)	100	110	120	148	154	151	167
Retail prices (1948=100)	100	105	112	126	144	141	148
Wages—Monthly earnings (1948=100)	100	109	118	131	138	146	[1] 155
Industrial production (1948=100)	100	107	118	127	130	133	[1] 142
Farm output (1948=100)	100	112	126	132	126	[1] 130	[1] 160

[1] Estimated.

Source: International Financial Statistics, International Monetary Fund.

TRENDS IN RECESSION

Here's what happened to important economic indicators during Mexico's recession:

National income—a good measure of overall activity—dropped 3.5 percent from the record $6 billion of 1952. That's about the size of the drop that occurred in the United States.

Mine output—the all-important dollar earner—slipped 5 percent, reflecting the 9-percent drop in United States factory production. (Factory output in Mexico more than held its own, but it plays a relatively small role in the country's economy.)

Export volume, as a consequence, fell 8 percent—to $536 million—between 1952 and 1953. By the second quarter of 1954, when the United States economy started moving up, Mexican shipments had fallen still further—to an annual rate of just over $400 million.

Gold and dollars held by the central bank skidded dangerously—from $291 million in 1950, to less than $100 million early last year.

Farm production turned down in 1952—about 5 percent. Falling prices brought more distress.

Retail sales fell around 5 percent in 1953.

You can't measure what happened to employment, investment, construction, etc., with any real accuracy; there are big gaps in Mexican statistics. But all evidence indicates that these lines weakened, too.

PESO DEVALUATION

The turning point for the Mexican economy came in April 1954.

The peso was devalued by 44 percent; you now get 12.5 for the dollar, instead of 8.65. This led to some hikes in domestic prices and wages. But—by raising the cost of imported goods—the move soon succeeded in reducing the trade deficit and increasing revenues.

American buying rose a little later in the year, as American industry began to recover from its own correction.

Then last year's big farm crop began moving to market at good prices, giving Mexico's economy the last push it needed.

Once started, Mexico's recovery spread out quickly. (The 1954 figures tell only part of the story; most of the gains came this year.)

Factory production spurted. Oil production has risen 17 percent in the past year, while textile mills are operating at record rates. Steel and cement were sluggish for a while, but even they have begun to move.

Minerals output has increased substantially. The United States stockpiling program has firmed up demand—and prices—for lead and zinc.

Farm marketings jumped over 20 percent in value. Overseas buyers snapped up the record crops of cotton and coffee at good prices.

Exports, overall, rose 3 percent in 1954—and at least that much again so far in 1955. Increased tourism and the devaluation reversed the flow of foreign exchange. Reserves rose back above $250 million.

And there's new confidence on the part of Mexican businessmen and American investors.

OUTLOOK FOR 1955

With internal finances in order, and United States activity rising, there's every reason to believe that Mexican business activity will keep on expanding through 1955.

Tourism will set a record—$200 million, up 15 percent over 1954. The long-term uptrend has resumed, after faltering in 1943–54.

Retail sales will top last year's by 10 percent.

Cattle exports to the United States will reach substantial volume, now that import restrictions have been relaxed.

Oil and gas will exceed 1954 output by 10 percent.

Manufacturing is still rising, with activity in clothing, auto assembly, and electrical appliances slated to improve substantially this summer and fall.

And investment—by government and businessmen—is accelerating.

Here are some of the opportunities in Mexico that are currently attracting the funds of American and other investors.

Sulfur: United States money is helping to push Mexican output to 1 million tons a year. (Ours is a little more than 5,000,000.) American investors will be getting $20 million a year in returns.

Retailing: Some of the large American chains are preparing to follow Sears, Roebuck, which has a multimillion-dollar operation going.

Power: Foreign-owned Mexican Light & Power Co. is completing plans for a 10-year $24 million expansion program.

Machinery: A $2.5 million plant, to turn out Japanese textile machinery, is going up in Hidalgo state.

Other lines: United States capital is playing a growing role in chemicals, paints, plywood, synthetic fibers, radio-TV, and appliances.

Additionally, the Government is pouring tax funds and money borrowed from international lenders into waterpower and transportation projects—prerequisites for development of primitive areas.

IMPORTANCE TO UNITED STATES

Quite apart from the investment prospects, Mexico is important to the United States economically as a customer.

Dollarwise, Mexico's purchases—$628 million in 1954—will probably near $1 billion by 1960. Mexico might displace Britain ($688 million) as our second best customer. (Canada—with $2.8 billion—is far and away the first.)

Itemwise, the country promises to take ever increasing amounts of mining, farm, railroad, and industrial machinery and parts; electrical equipment; iron and steel products; auto parts and assemblies; and wheat, corn, and paper.

Mr. MORSE. If the information contained in this report is true, Mexico would seem to offer an opportunity to us to strengthen our foreign policy by helping the country to the south of us develop its economy to the point where we can say that through American aid and assistance we are contributing to a further raising of the standard of living of the people of Mexico.

I close by saying that just as I believe it is important that the strength of freedom in America, both political and economic, is dependent upon the standard of living of our people, likewise do I believe that the strength of freedom elsewhere in the world in the decades ahead will be determined more by the development of the standards of living of the people of those areas than by any other one fact.

That is why I say it is very important that we should export economic freedom, but not try to dictate economic policy to a land to which we grant our aid.

ADJOURNMENT

Mr. KNOWLAND. Mr. President, pursuant to the order entered previously, I move that the Senate adjourn until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 37 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Wednesday, June 8, 1955, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7, 1955:

UNITED STATES DISTRICT JUDGES

Reynier J. Wortendyke, Jr., of New Jersey, to be United States district judge for the district of New Jersey.

William G. East, of Oregon, to be United States district judge for the district of Oregon.

CIRCUIT COURTS, TERRITORY OF HAWAII

Benjamin M. Tashiro, of Hawaii, to be judge of the fifth circuit, circuit courts, Territory of Hawaii, for a term of 4 years.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Edward Steidle, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review for the term expiring July 15, 1958.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 7, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in our prayer of intercession, at the noon hour, we are bringing to Thy throne of grace and mercy all who have grievous trials and tribulations, and are bearing heavy burdens and sorrows from which none amongst us is entirely free.

God forbid that we should sin against the Lord by ceasing to pray for our fellow men who are finding life so confused and complex in its demands and upon whose trembling lips there are broken cries which Thou alone canst hear and answer.

Grant that Thy needy children everywhere may be given strength and courage to carry on and may their hearts be sustained by Thy divine fellowship and consolation.

Inspire us with the glad assurance that someday Thy kingdom of righteousness and peace will be established upon this earth and may we seek to have a large part in making life less difficult for struggling humanity.

In Christ's name we bring our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3825. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.; and

H. R. 4294. An act to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces.

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

S. 107. An act to provide for the conveyance of a portion of the Fort Devens Military Reservation, Mass., to the Commonwealth of Massachusetts;

S. 309. An act for the relief of Rosette Sorge Savorgnan;

S. 2078. An act to permit a retired officer of the Navy to be employed in a command status in connection with Antarctic expeditions; and

S. 2127. An act to amend the Small Business Act of 1953.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5240. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. RUSSELL, Mr. MCCLELLAN, Mr. DIRKSEN, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. MCCARTHY, and Mr. POTTER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5046. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. CHAVEZ, Mr. RUSSELL, Mr. KILGORE, Mr. MAGNUSON, Mr. STENNIS, Mr. THYE, Mr. MUNDT, Mrs. SMITH of Maine, Mr. DWORSHAK, and Mr. POTTER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 103) entitled "An act to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. JACKSON, Mr. O'MAHONEY, Mr. MILLIKIN, and Mr. WATKINS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2126) entitled "An act to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDERSON, Mr. JACKSON, Mr. O'MAHONEY, Mr. MILLIKIN, and Mr. WATKINS to be the conferees on the part of the Senate.

POSTAL FIELD SERVICE COMPENSATION ACT OF 1955

The SPEAKER. The Chair desires to announce that he prefers to recognize the gentleman from Tennessee [Mr. MURRAY] at this time.

Mr. MURRAY of Tennessee. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2061) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department as amended.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Postal Field Service Compensation Act of 1955."

TITLE I—DEFINITIONS, COVERAGE, AND EXEMPTIONS

Definitions

SEC. 101. For the purposes of this act—

(1) "Department" means the Post Office Department established by section 388 of the Revised Statutes (5 U. S. C., sec. 361), and the postal field service of the Post Office Department;

(2) "postal field service" includes all operations and organization units of the Department, other than the departmental operations and organization units in the headquarters offices of the Post Office Department at the seat of the Government, and includes postal inspectors assigned to the headquarters offices of the Post Office Department at the seat of the Government;

(3) "employee," unless the context otherwise indicates, includes postmasters, officers, supervisors, and all other persons employed in the postal field service, regardless of title, other than persons who provide services for the Department on a fee, contract, job, or piecework basis;

(4) "position" means the duties and responsibilities assigned to an employee, other than duties performed on a fee, contract, job, or piecework basis;

(5) "key position" means an existing position, described in section 203 of this act;

(6) "salary level" means the numerical standing in the Postal Field Service Schedule assigned to a position in the postal field service;

(7) "basic salary" means the rate of annual or hourly compensation specified by law, exclusive of overtime, night differential, and longevity compensation;

(8) "basic compensation" means basic salary plus longevity compensation; and

(9) "persons" has the meaning prescribed for such word in section 1 of title 1 of the United States Code.

Coverage

SEC. 102. This act applies to all positions and employees in the postal field service.

TITLE II—RANKING OF POSITIONS

Administration

SEC. 201. (a) The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in such service, except that not more than one assistant postmaster may be employed at any post office. He shall define the various positions other than the key positions specified in section 203 of this act and the standard positions of postmaster in a fourth-class office and rural carrier. He shall assign each such position to its appropriate salary level in the Postal Field Service Schedule. He shall ascertain the appropriate salary level of a position (1) by comparing the duties, responsibilities, and work requirements of the position with the duties, responsibilities, and work requirements of key positions described in section 203 of this act, and (2) by ranking the position in relation to the key position most closely comparable in terms of the level of duties, responsibilities, and work requirements.

(b) In ranking positions, the Postmaster General shall apply the principle of equal pay for substantially equal work and give effect to substantial differences in difficulty of the work to be performed, in the degree of responsibility to be exercised, in the scope and variety of tasks involved, and in the conditions of performance.

(c) There shall not at any one time be more than 40 employees in positions assigned to salary level 17, 12 employees in positions assigned to salary level 18, 4 employees in positions assigned to salary level 19, or 15 employees in positions assigned to salary level 20.

(d) The Postmaster General's determinations under this section shall be the basis for the payment of compensation and for personnel transactions.

Appeals

SEC. 202. Any employee, either individually or together with one or more other employees with a similar grievance, may appeal at any

time, in person or through his representative specifically designated for that purpose, to the United States Civil Service Commission to review (1) if such employee is in a position other than a key position described in section 203 of this act, any action taken by the Postmaster General under section 201 of this act, in order to determine whether his position has been placed in its appropriate salary level in accordance with such section, and (2) if such employee is in a key position described in section 203 of this act, any administrative action taken or determination made under this act, in connection with such employee, in order to determine whether such employee has been placed correctly in a key position on the basis of and in accordance with the descriptions of key positions and the assignments of such positions to salary levels specified in section 203 of this act. The Commission shall act upon such appeal at the earliest practicable time, and its decision on such appeal shall be certified forthwith to the Postmaster General who shall take action in accordance with such certificate.

Key positions

SEC. 203. Key positions in the postal field service consisting of standard, related tasks commonly performed in that service are described and assigned to salary levels in the Postal Field Service Schedule, as follows:

(1) Position: Janitor—Level 1.

Basic function: Cleans, sweeps, and removes trash from work areas, lobbies, and washrooms.

Duties and responsibilities:

(A) Sweeps and scrubs floors and stairs, dusts furniture and fixtures, cleans washrooms, and washes windows (except exterior glass in high buildings).

(B) Moves furniture and helps erect equipment and fixtures within offices of the building.

(C) In addition, may perform any of the following duties:

(i) Cleans ice and snow from the sidewalks and driveways, and tends the lawn, shrubbery, and premises of the post office.

(ii) Washes walls and ceilings.

Organizational relationships: Reports to a foreman or other designated supervisor.

(2) Position: Elevator operator—Level 2.

Basic function: Operates a freight or passenger elevator.

Duties and responsibilities:

(A) Operates elevator.

(B) Cleans cab of elevator and polishes metal fittings.

(C) In addition, may perform any of the following duties:

(i) Pushes handcarts of mail on and off elevator or assists in loading or unloading material carried on elevator.

(ii) Tends the heating plant or performs cleaning duties in the vicinity of the elevator.

Organizational relationships: Reports to an elevator starter or other designated supervisor.

(3) Position: Order filler—Level 2.

Basic function: Selects, assembles, and makes ready for shipment items requisitioned by postal field establishments.

Duties and responsibilities:

Is assigned any of the following duties:

(A) Separates sheets of the requisition form, fastens copies to clipboards, and places on appropriate conveyor line.

(B) Clarifies writing on carbon copies of requisitions in order to minimize errors in filling requisitions.

(C) Sets up and prepares shipping containers.

(D) Places in cartons on conveyor lines the quantities of items requisitioned from an assigned station, indicating action taken opposite each item.

(E) Fills and labels bulk shipping orders and moves bulk material to dispatch area.

(F) Replenishes from stock items stored in individual stations and keep stations neat and orderly to facilitate filling of requisitions.

(G) Transports bulk and individual shipments on hand trucks.

(H) Assembles materials for each requisition where conveyor lines converge.

(I) Places cartons on assembly table for coordination and packing.

(J) Checks requisition copies and items to assure that proper action has been taken.

(K) Directs items not requiring packing to dispatch area.

(L) Combines shipments to reduce packing.

(M) Transmits bulk slips and shipping labels to the appropriate person.

(N) Labels bulk and individual packages with printed labels to avoid hand labeling.

(O) Prepares labels by use of appropriate rubber stamps.

(P) Seals cartons with stapling machine or tape.

(Q) Packs supplies for shipment.

(R) Stacks and trucks completed orders.

Organizational relationships: Reports to a foreman or other designated supervisor.

(4) Position: Clerk, third-class post office—Level 2.

Basic function: Sorts incoming and dispatches outgoing mail for a small number of points of separation and destination; provides a limited number of services at public windows.

Duties and responsibilities:

(A) Sorts incoming mail for general delivery, lock boxes, and one or more delivery routes.

(B) Postmarks and prepares mail for dispatch by train or other mail route; closes, locks, and affixes labels to pouches and mail sacks.

(C) Performs services at a public window, such as selling stamps, stamped envelopes, or other routine functions.

(D) As the needs of the service require, may perform other related duties incidental to the operation of the post office.

Organizational relationships: Reports to a postmaster.

(5) Position: Guard—Level 3.

Basic function: Makes rounds of the post office building, and punches clocks at designated stations.

Duties and responsibilities:

(A) Patrols buildings, punching watchman's clock where furnished, checking door and window locks, noting and reporting fire hazards and other irregularities, such as running water and unclosed doors and windows.

(B) Sounds fire alarm.

(C) Preserves order in corridors and, when necessary, detains persons for interrogation by post-office inspectors or local police.

(D) In addition may perform any of the following duties:

(i) Gives directions to the public in building lobby.

(ii) Raises and lowers the flag.

(iii) Retrieves lost and found articles and delivers them to the appropriate place.

(iv) Obtains names of victims, doctors, police, and witnesses in the event of accident.

(v) Guards property entrances and prevents damage to property by the public.

(vi) Tends the heating plant of the building.

(vii) Operates elevators on a relief basis.

(viii) Does incidental cleaning and laboring work.

Organizational relationships: Reports to a lieutenant of the guard, a building superintendent, or other designated supervisor.

(6) Position: File clerk—Level 3.

Basic function: Sets up and maintains files on one or more subject matters.

Duties and responsibilities:

(A) Prepares new file folders and maintains existing folders in correct order as prescribed in the established filing system.

(B) Transmits folders or information contained therein to authorized personnel (for example, forwards personnel folders to requesting supervisors, or copies data from folders to satisfy requests).

(C) Opens, sorts, and searches file material, and maintains files in up-to-date condition.

(D) In addition, may perform any of the following duties:

(i) Types from rough draft or plain copy.

(ii) Answers telephones.

(iii) Prepares requisitions for supplies.

(iv) Operates a mimeograph machine.

Organizational relationships: Reports to a designated supervisor.

(7) Position: Typist—Level 3.

Basic function: Types material such as forms, correspondence, and stencils from rough draft or plain copy.

Duties and responsibilities:

(A) In accordance with instructions and information furnished by supervisor, types forms, standard reports, and documents such as invitations to bid, orders, contracts, invoices, personnel actions, and related materials.

(B) Types correspondence and memoranda from rough drafts or general information.

(C) Cuts stencils for instructions, circulars, and other general uses.

(D) In addition, may perform any of the following duties:

(i) Transcribes from a dictating machine.

(ii) Operates a mimeograph machine.

(iii) Files, checks requisitions, prepares vouchers, and answers the telephone.

Organization relationships: Reports to a designated supervisor.

(8) Position: Mail handler—Level 3.

Basic function: Loads, unloads, and moves bulk mail, and performs other duties incidental to the movement and processing of mail.

Duties and responsibilities:

(A) Unloads mail received by trucks. Separates all mail received by trucks and conveyors for subsequent dispatch to other conveying units, and separates and delivers working mails for delivery to distribution areas.

(B) Places empty sacks or pouches on racks, labels them where labels are prearranged or racks are plainly marked, dumps mail from sacks, cuts ties, faces letter mail, carries mail to distributors for processing, places processed mail into sacks, removes filled sacks and pouches from racks, closes and locks same. Picks up sacks, pouches, and outside pieces, separates outgoing bulk mails for dispatch and loads mail onto trucks.

(C) Handles and sacks empty equipment, inspects empty equipment for mail content, restrings sacks.

(D) Cancels stamps on parcel post, operates canceling machines, carries mail from canceling machine to distribution cases.

(E) Assists in supply and slip rooms and operates addressograph, mimeograph, and similar machines.

(F) In addition, may perform any of the following duties:

(i) Acts as armed guard for valuable registry shipments and as watchman and guard around post office building.

(ii) Makes occasional simple distribution of parcel post mail requiring no scheme knowledge.

(iii) Operates electric fork-lift trucks.

(iv) Rewraps soiled or broken parcels.

(v) Performs other misecellaneous duties, such as stamping tickets, weighing incoming sacks, cleaning and sweeping in workrooms, offices, and trucks where such work is not performed by regular cleaners.

Organizational relationships: Reports to a foreman or other designated supervisor.

(9) Position: Garageman—Level 3.

Basic function: Performs a variety of routine services incidental to the proper maintenance of motor vehicles.

Duties and responsibilities:

(A) Lubricates trucks in accordance with lubrication charts and type of truck.

(B) Changes crankcase oil and filter cleaners and cleans case in conformance with instructions and vehicle mileage.

(C) Changes tires and makes necessary repairs.

(D) Washes and steam-cleans trucks.

(E) Assists automotive mechanics.

(F) Fuels and oils trucks.

(G) Cleans garage, garage office, swing room, and washroom, as assigned.

Organizational relationships: Reports to a foreman of mechanics or other designated supervisor.

(10) Position: Motor vehicle operator—Level 4.

Basic function: Operates a mail truck on a regularly scheduled route to pick up and transport mail in bulk.

Duties and responsibilities:

(A) Picks up and delivers bulk quantities of mail at stations, branch offices, and terminal points; as required, picks up mail from collection boxes and deposits mail in relay boxes.

(B) Operates truck in conformity with time schedules and rules of safety, and in accordance with instructions regarding the route for which responsible.

(C) Ascertains the condition of the truck prior to leaving and upon returning to the garage; reports all accidents, mechanical defects noted, and mechanical failures while on route.

(D) In addition, may perform any of the following duties:

(i) Drives a tractor and semitrailer on occasion, unloading bagged mail and packages at post offices and picking up mail for delivery to a central point.

(ii) Prepares daily trip reports showing work performed.

(iii) Makes minor mechanical repairs to truck in emergencies while on route.

Organizational relationships: Reports to a superintendent of motor vehicles or other designated supervisor.

(11) Position: City or special carrier or special delivery messenger—Level 4.

Basic function: Is responsible for the prompt and efficient delivery and collection of mail on foot or by vehicle under varying conditions in a prescribed area within a city. As a representative of the postal service, maintains pleasant and effective public relations with route patrons and others, requiring a general familiarity with postal laws, regulations, and procedures commonly used, and with the geography of the city.

Duties and responsibilities:

(A) Routes or cases all classes of mail in sequence of delivery along an established route. Rearranges and relabels cases as required by route adjustments and changes in deliveries.

(B) Withdraws mail from the distribution case and prepares it in sequence for efficient delivery by himself or a substitute along an established route. Prepares and separates all classes of mail to be carried by truck to relay boxes along route for subsequent delivery.

(C) Enters change of address orders in change of address book and on appropriate form. Readdresses mail to be forwarded and marks for appropriate handling other mail address to route patrons who have moved. Sorts such mail into throw-back case for convenient handling by clerks.

(D) Delivers mails along a prescribed route, on a regular schedule, picking up additional mail from relay boxes. Collects mail from street letter boxes and accepts letters for mailing from patrons. Such service may be rendered on foot or by vehicle and in some instances may consist exclusively of parcel post delivery or collection of mail.

(E) Delivers and collects charges on customs, postage-due, and c. o. d. mail matter. Delivers and obtains receipts for registered and certain insured mail. Receipts for such matter, except insured mail, at the post office before beginning route and accounts for it upon return by payments of the amounts collected and delivery of receipts taken.

(F) Deposits mail collected in the post office upon return from route; faces such mail for stamp cancellation.

(G) Checks, and corrects if necessary, mailing cards presented by advertisers bearing names and addresses of patrons or former patrons of the route.

(H) Furnishes patrons with postal information when requested, and provides change of address cards and other postal forms as requested.

(I) Reports to supervisor all unusual incidents or conditions relating to mail delivery, including condition of street letter boxes and timecards.

(J) Regular city carriers assigned to foot delivery routes are required to become proficient in the casing of mail on at least one other foot delivery route.

(K) Substitute city carriers may be assigned to perform clerical duties and may be required to pass examinations an schemes of city primary distribution.

(L) Special-delivery carriers and special-delivery messengers receive special-delivery mail for delivery and sign c. o. d. and registered items at post office before beginning route; deliver on foot and by vehicle special-delivery mail to patrons; obtain signatures when required; collect amounts and fees on c. o. d.'s; in case of absent patrons, exercise judgment in determining whether to leave mail or leave notice and return mail to post office; return receipts and moneys collected to authorized personnel at post office.

(M) In addition, may perform any of the following duties:

(i) Checks hotels and other such establishments to insure that mail for residents undeliverable as addressed is not improperly held.

(ii) Delivers stamps or other paper supplies to contract or classified stations.

(iii) Serves at carriers' delivery window.

(iv) Receives and registers, where practical, all letters and packages of first-class matter properly offered for registration and gives receipt therefor.

(v) Makes delivery on other routes as assigned.

Organizational relationships: Reports to a postmaster or assistant postmaster, or other designated supervisor.

(12) Position: Distribution clerk—Level 4.

Basic function: Separates mail in a post office, terminal, airmail field, or other postal facility in accordance with established schemes, including incoming or outgoing mail or both.

Duties and responsibilities:

(A) Makes primary and one or more secondary distributions of incoming mail by delivery point (for example, classified or contract station or branch or other delivery unit, general delivery, lockboxes, rural or star route, or city carrier route) based on a knowledge of the distribution scheme established for that office.

(B) Makes primary and one or more secondary distributions of outgoing mail for dispatch (for example, by city, State, region, train, highway, or railway post office, or airmail flight) based on a knowledge of the distribution scheme prescribed by the Postal Transportation Service.

(C) In addition, may perform any of the following duties:

(i) Maintains records of mails.

(ii) Examines balances in advance deposit accounts.

(iii) Faces and cancels mail.

(iv) Ties mail and inserts facing slips.

(v) Opens and dumps pouches and sacks.

(vi) Operates cancelling machines.

(vii) Records and bills mail (for example, c. o. d., registered, and so forth) requiring special service.

(viii) Renders service at public windows.

Organizational relationships: Reports to a foreman or other designated supervisor.

(13) Position: Window clerk—Level 4.

Basic function: Performs a variety of services at a public window of a post office or post-office branch or station. As a representative of the postal service, maintains pleasant and effective public relations with patrons and others requiring a general familiarity with postal laws, regulations, and procedures commonly used.

Duties and responsibilities:

(A) Sells postage stamps, stamped paper, cards, internal revenue stamps, migratory bird stamps, and postal savings stamps and certificates.

(B) Accepts from and, after proper identification, delivers to patrons parcel post, insured, c. o. d., and registered mail; makes collection of required postage, issues necessary receipts, and issues general delivery mail to patrons.

(C) Verifies second-, third-, and fourth-class mailings, computing and maintaining on a current basis mailers' credit balances.

(D) Assigns special delivery and registered mail for delivery.

(E) Checks and sets post office stamp-vending machines, postage meters, and large mailers' stamp permit meters.

(F) Receives, follows up, and recommends action on patrons' claims and complaints.

(G) Issues and cashes foreign and domestic money orders and postal savings certificates.

(H) Rents post office boxes, receives rental payments, conducts reference checks, and completes related forms.

(I) Provides information to the public concerning postal regulations, mailing restrictions, rates, and other matters involving postal transactions.

(J) In addition, may perform any of the following duties:

(i) Makes emergency carrier relays.

(ii) Assists in alien registration and census matters.

(iii) Separates and distributes mail.

Organizational relationships: Reports to a postmaster, assistant postmaster, or other designated supervisor.

(14) Position: Automotive mechanic—Level 5.

Basic function: Repairs mail trucks, including the removal and installation of complete motors, clutches, transmissions, and other major component parts.

Duties and responsibilities:

(A) Diagnoses mechanical and operating difficulties of vehicles, repairing defects, replacing worn or broken parts.

(B) Adjusts and tunes up engines, cleaning fuel pumps, carburetors, and radiators; regulates timing, and makes other necessary adjustments to maintain in proper operating condition trucks that are in service.

(C) Repairs or replaces automotive electrical equipment such as generators, starters, ignition systems, distributors, and wiring; installs and sets new spark plugs.

(D) Conducts road tests of vehicles after repairs, noting performance of engine, clutch, transmission, brakes, and other parts.

(E) Operates standard types of modern garage testing equipment.

(F) In addition, may perform any of the following duties:

(i) Removes, disassembles, reassembles, and installs entire engines.

(ii) Overhauls transmission, rear-end assemblies, and braking systems.

(iii) Straightens frames and axles, welding broken parts where required.

(iv) Makes road calls to make emergency repairs.

(v) Makes required truck inspections.

Organizational relationships: Reports to a foreman of mechanics or other designated supervisor.

(15) Position: Transfer clerk—Level 5.

Basic function: Arranges for transfer of mail at junction points between trains and other mail units and observes the separation, loading and unloading of mail by railroad employees to make certain that this is done properly.

Duties and responsibilities:

(A) Provides for the most expeditious transfer of mail from observations of the operation of trains, star route, or mail messenger vehicles, Government-owned vehicles and platform vehicles.

(B) Examines outgoing and incoming cars to determine maximum utilization of space and proper adherence to railroad safety requirements; reports findings, when necessary, to the district superintendent.

(C) Decides whether outbound cars in full authorizations should be held beyond the first available dispatches in order to obtain fuller loading and maximum utilization of the space paid for, making certain that this will not unduly delay the arrival of the mail at destination.

(D) Studies the routing and loading of mail dispatched from his station in storage cars in order to recommend changes which would bring about economies in line haul and terminal charges and effect earlier arrival. Gives similar attention to incoming mail to assure that dispatching divisions are using best routing and loading methods; reports facts to the district superintendent.

(E) Maintains close liaison with foremen of appropriate incoming and outgoing trains and vehicles to assure prompt receipt and expeditious dispatch of mail.

(F) Keeps informed on local holding orders for each outgoing dispatch and requests that departure of unit within these limitations be withheld when scheduled connections are delayed.

(G) Prepares list of railroad cars (except railway post-office cars) in which mail is loaded, and maintains record of mail loaded and unloaded in outgoing and incoming trains. Serves notice on railroad company to cancel operation and purchases lesser storage unit in its place when necessary. Prepares official diagram and appropriately lebels outgoing cars to indicate destination or next relay point.

(H) Inspects the loading and unloading of storage mail to secure individual piece count of lesser storage units (30 feet and less); estimates volume when more than 30 feet.

(I) Observes and reports to designated supervisor any failure of the railroad company to afford protection for the mail.

(J) Qualifies periodically through examination on knowledge of distributing schemes, postal regulations, space rules, and train connections.

(K) In addition, may perform any of the following duties:

(i) Receipts for, transfers, and delivers registered mail between trains or between train and post office.

(ii) Distributes mail prescribed for distribution in transfer office.

Organizational relationships: Reports to a foreman or other designated supervisor.

(16) Position: Distribution clerk, R. P. O. or H. P. O.—Level 5.

Basic function: Distributes mail in railway or highway post office prior to departure and while en route.

Duties and responsibilities:

(A) Determines the fastest or most expeditious dispatch of mail from the standpoint of assignment. In emergencies, such as floods, storms, wrecks, strikes, and missed connections, redistributes the mail so as to reach destination by the most expeditious alternative means, for example, by other railway post office or highway post office, air-mail route, or star route.

(B) Distributes mail rapidly into letter case or pouches and sacks.

(C) Hangs pouches and sacks in racks and places labels in holders provided; labels letter cases in accordance with official diagram.

(D) Prepares mail for dispatch, involving labeling and tying of letter mail in packages for distribution in pouches, closing and locking sacks and pouches, and maintenance of proper separations for connections en route.

(E) In addition, may perform any of the following duties:

(i) Receives and dispatches mail en route.

(ii) Unloads mail and equipment at terminal of run.

(iii) Examines car to ascertain that no mail is left.

(iv) Convoys registered mail to post office and connecting lines.

(F) Qualifies through examination periodically on knowledge of distributing schemes, postal regulations, space rules, and train schedules.

Organizational relationships: Reports to a foreman in charge of the railway post office car or highway post office.

(17) Position: Claims clerk, paying office—Level 5.

Basic function: Examines claims for loss or damage of insured or c. o. d. mail matter and determines and approves for payment the amount found to be due under postal regulations.

Duties and responsibilities:

(A) Receives and reviews prescribed claim papers to ascertain whether:

(i) All necessary items of the appropriate claim form have been properly completed.

(ii) Proof of value has been properly determined.

(iii) Appropriate check has been made of applicable records.

(iv) Other necessary information has been supplied.

(B) Determines whether amount of claim exceeds amount of loss and the proper amount payable is within the limits of the indemnity.

(C) Conducts necessary correspondence in connection with the claim.

(D) Approves amount to be paid, and directs disposition of damaged articles.

(E) Maintains prescribed record of claims.

Organizational relationships: Reports to an assistant postmaster or other designated supervisor.

(18) Position: Postmaster, small third-class office—Level 5.

Basic function: Is responsible for all operations of a small third-class post office, including actual performance of mail processing and window service, disbursement of funds and preparation of required reports. This office has no employees other than the postmaster and a replacement to serve during his leave; has annual receipts of approximately $1,700; has no rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Conducts the activities of the office in such manner as to provide prompt and efficient postal service to the patrons of the office.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Sorts incoming mail for boxholders and general delivery; faces, cancels, sorts by destination, ties, and sacks outgoing mail.

(D) At a window delivers general delivery mail, issues and cashes money orders, delivers c. o. d. and customs mail, accepts and delivers parcel post, registered and insured mail, sells stamps and stamped paper, and collects box rents.

(E) Prepares and submits estimates of operating allowances as required.

(F) Makes deposits of accountable funds; requisitions stamps and stamped paper; requisitions supplies; pays authorized bills.

(G) Maintains required office records; prepares and submits necessary reports in accordance with instructions.

(H) Maintains files for the office.

Organizational relationships: Administratively responsible to a district manager.

(19) Position: Claims clerk, common and contract carriers—Level 6.

Basic function: Audits carriers' claims for the transportation of mail to insure their accuracy and correctness of form prior to certifying them for payment.

Duties and responsibilities:

(A) Checks original or draft of claims submitted by carriers using space procurement data, records of air carrier flights and weight allocations, reports of railroad space utilization, emergency space procured, and other pertinent reports and data submitted by the districts.

(B) Corrects errors in drafts of claims and returns them to the carrier for resubmission in final corrected form.

(C) Expedites the processing of claims by continuous coordination with the carriers to minimize the incidence of error on claims submitted.

(D) Rechecks resubmitted claims prior to certifying them for payment.

(E) Maintains records pertinent to carrier claims such as unscheduled air carrier flights, weight allocations for mail or flights of air carriers, and air line flight schedules.

(F) Accumulates data and prepares periodic and special reports on subjects related to the purchase and use of railroad space, and air carrier weight allocation.

Organization relationships: Reports to the supervisor in charge of the fiscal section in a Postal Transportation Service division office or other designated supervisor.

(20) Position: Postmaster, third-class office—Level 6.

Basic function: Is responsible for all operations of a third-class post office, including actual performance of mail processing and window services, disbursement of funds and preparation of required reports. This office has one part time clerical employee; has annual receipts of approximately $4,700; has no rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Supervises and conducts the activities of the office in order to provide prompt and efficient postal service to patrons.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations.

(D) Sorts incoming mail for boxholders and general delivery; faces, cancels, sorts by destination, ties and sacks outgoing mail.

(E) At a window delivers general delivery mail, issues and cashes money orders, delivers c. o. d. and customs mail, accepts and delivers parcel post, registered and insured mail, sells stamps and stamped paper, and collects box rents.

(F) Makes required deposits of accountable funds; requisitions stamps and stamped paper; requisitions supplies; pays authorized bills and makes salary disbursements.

(G) Prepares and submits annual estimates of manpower needs and operating allowances as required.

(H) Maintains required office records; prepares and submits necessary reports in accordance with instructions.

(I) Maintains files for the office.

Organizational relationships: Administratively responsible to a district manager.

(21) Position: Foreman, mails—Level 7.

Basic function: Supervises a group of employees engaged in carrying out assigned tasks connected with the processing of incoming or outgoing mail.

Duties and responsibilities:

(A) Lays out work for employees; insures attendance to duties and proper performance of assignments; shifts employees from one assignment to another to meet fluctuations in workload; answers questions respecting work progress.

(B) Trains new employees and provides continuous on-the-job training for all employees under his supervision.

(C) Reports unusual difficulties to a general foreman and suggests solutions. Personally resolves problems of a routine nature.

(D) Keeps required records for such matters as time, mail on hand, and mail processed.

(E) Recommends personnel actions respecting subordinates; maintains morale among the employees in the group; adjusts complaints; supplies leadership necessary to secure maximum interest and effort from men and promotes cooperation and harmony.

Organizational relationships: Administratively responsible to a general foreman or other designated superior. Supervises approximately 20 or more employees.

(22) Position: Postmaster, third-class office—Level 7.

Basic function: Is responsible for all operations of a third-class post office, including actual participation in processing of mail and window services, disbursement of funds and preparation of required reports. This office has two clerical employees and annual receipts of approximately $6,000, and rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Supervises the activities of the office in order to provide expeditious handling of the mails and efficient and courteous postal service to patrons.

(B) Maintains direct contact with the public and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Department and Civil Service Regulations; selects personnel and trains them in their respective positions.

(D) Directs the activities of employees; arranges the working schedules of employees and is responsible for the administration of the Efficiency Appraisal System.

(E) Distributes incoming mail for carrier delivery, boxholders and general delivery; faces, cancels, distributes, ties and sacks outgoing mail; performs general delivery window services; issues and cashes money orders; delivers c. o. d. and customs mail; accepts and delivers parcel post, registered and insured mail; sells stamps, stamped paper, savings bonds, postal savings stamps and certificates, migratory and documentary stamps, and collects box rents.

(F) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies; issues checks for employees' salaries and other official disbursements.

(G) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(H) Prepares reports of a recurring nature, reflecting various transactions of the office, such as personnel salary summaries, retirement and withholding tax data, cost estimates, money order and bond summaries and schedules of disbursement.

(I) Maintains all files for the office.

Organizational relationships: Administratively responsible to a district manager.

(23) General foreman: R. P. O.—Level 8.

Basic function: Directs mail service operations in a railway post office train with two or more authorized cars. Supervises a crew of foremen and clerks whose primary function is the distribution and exchange of mails en route.

Duties and responsibilities:

(A) Provides for the proper distribution, exchange, and dispatch of mail regularly assigned for handling in the railway post office cars. Makes decisions concerning the most expeditious dispatch, rerouting and utilization of alternative connections involving irregularly received mail and also in emergency situations.

(B) Directs mail service operations in the railway post office train including:

(i) Rapid distribution of all classes of mail in accordance with official diagrams and via most advantageous routing.

(ii) Handling, recording, and protection of registered mails.

(iii) Makeup and exchange of mail at intermediate and terminal offices.

(iv) Proper utilization of space in each railway post office car with relation to other storage space in train and, except as charged to transfer clerks, for proper handling of all storage mail in train.

(v) Loading and unloading of railway post office cars to assure maximum use of available storage space without additional cost.

(vi) Proper usage of mail equipment and supplies.

(vii) Maintenance of distribution schemes and schedules of mail routes in corrected condition.

(C) Supervises the activities of foremen and clerks in the cars and reassigns them to various duties as may be required to complete maximum distribution. Instructs clerks on proper practices and procedures and reports failures to meet operating standards to the district superintendent.

(D) Inspects condition of railway post office cars and reports to the railroad company unsatisfactory situations.

(E) Completes trip report form covering service operations, including particulars of train operation, roster of clerks on duty, mails received, worked, and dispatched, and mails not worked; prepares a list of all cars on train in which mail is carried, a record of the mail, and a report of any irregularities in service. Observes and reports to district superintendent any fairure of the railroad company to afford protection to the mail.

(F) May personally distribute letter mail for one or more States, and maintan record of pouches received and dispatched.

Organizational relationships: Administratively responsible to a district superintendent or other designated superior. Directs, through one or more subordinate foremen, clerks assigned to the run.

(24) Position: Assistant postmaster, small first-class post office—Level 8.

Basic function: Serves as the overall assistant to the postmaster, providing general direction and supervision over mails, finance, personnel, and other related activities. This office has approximately 16 employees, annual receipts of approximately $63,000, and eight carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate employees in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(25) Position: Postmaster, second-class office—Level 8.

Basic function: Is responsible for all operations of a second-class post office, including actual participation in processing of mail and window services, disbursement of funds and preparation of required reports. This office has approximately six employees, annual receipts of approximately $16,000, and has rural delivery service within its jurisdiction.

Duties and responsibilities:

(A) Supervises and coordinates the activities of the office in order to provide expeditious handling of the mails, and efficient and courteous postal service to patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; selects personnel and trains them in their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees; recommends promotions of employees; is responsible for the administration of the Efficiency Appraisal System.

(E) Distributes incoming mail for carrier delivery, boxholders and general delivery; faces, cancels, distributes, ties and sacks outgoing mail; performs general delivery window service; issues and cashes money orders, delivers c. o. d. and customs mails; accepts and delivers parcel post, registered and insured mail, sells stamps, stamped paper, savings bonds, postal savings stamps and certificates, migratory and documentary stamps, and collects box rents.

(F) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies; issues checks for employees' salaries and other official disbursements.

(G) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(H) Prepares reports of a recurring nature, reflecting various transactions of the office, such as personnel salary summaries, retirement and withholding tax data, cost esti-

mates, money order and bond summaries and schedules of disbursement.

(I) Maintains all files for the office.

Organizational relationships: Administratively responsible to a district manager.

(26) Position: General foreman, mails—Level 9.

Basic function: Directs foremen in the distribution of all or part of incoming mails, outgoing mails, or both, at a first-class post office.

Duties and responsibilities:

(A) Lays out work for foremen at the beginning of a tour and issues instructions.

(B) Oversees work in progress to prevent accumulation of mail.

(C) Insures that mail is distributed in accordance with established orders and instructions.

(D) Shifts men from one foreman to another to keep mails moving.

(E) Reports difficulties and suggests corrective measures to superior.

(F) Maintains required records.

(G) Assures that adequate on-the-job training is carried out to promote employee proficiency.

(H) Reviews and forwards recommendations of foremen respecting discipline, promotions, or changes in assignments; approves time and leave requests; submits manpower estimates.

Organizational relationships: Administratively responsible to a superintendent or assistant superintendent or other designated superior. Directs, through approximately four foremen, employees as assigned.

(27) Position: Postmaster, small first-class office—Level 9.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately 16 employees, annual receipts of approximately $63,000, and city delivery service consisting of 8 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of employees; arranges working schedules of employees; recommends promotions of employees and is responsible for the proper administration of the efficiency-appraisal system.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

Organizational relationships: Administratively responsible to a district manager.

(28) Position: Building superintendent—Level 10.

Basic function: Directs the janitorial, maintenance, and operating services of a large post office building and branches and stations covering an aggregate area of approximately 700,000 square feet, including security, heating and ventilating, mechanical, and electrical equipment, and elevator services.

Duties and responsibilities:

(A) Plans and prepares work schedules and supervises the custodial forces in cleaning, heating, guarding, operating, and repairing the post office building and equipment.

(B) Makes frequent inspections to determine maintenance needs of the building and equipment, and to determine the efficiency of the janitorial and maintenance force.

(C) Prepares and answers correspondence relating to custodial service.

(D) Plans and supervises maintenance or alteration work under contract.

(E) Supervises the office force in the preparation of vouchers, requisitions and reports incidental to custodial service, and in the maintenance of required accounts and records.

(F) Recommends transfers, promotions, and disciplinary measures for custodial personnel.

(G) Inspects mechanical equipment to determine repair needs and adherence to standards of preventive maintenance.

Organizational relationships: Administratively responsible to the postmaster or other designated superior. Directs, through a general foreman of laborers and a chief engineer, approximately 100 employees, including electricians and other skilled trades.

(29) Position: Postmaster, first-class office—Level 10.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, personnel, and other related activies. This office has approximately 27 employees, annual receipts of $129,000, and 11 city delivery and rural carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints all personnel to service in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that all personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of all employees; supervises arrangement of working schedules of employees; recommends promotions of employees; and is responsible for the proper administration of the Efficiency Appraisal System.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

Organizational relationships: Administratively responsible to a district manager.

(30) Position: Tour superintendent, incoming or outgoing mails—Level 11.

Basic function: Directs general foremen in the distribution of incoming mails or outgoing mails on a tour at a large first-class post office.

Duties and responsibilities:

(A) Provides for the prompt and complete operation of a tour activity, such as incoming mails, outgoing mails, or all first- and third-class outgoing mails.

(B) Reassigns employees as necessary to meet peak-load demands; provides direction to subordinate foremen, coordinating the portions of work assigned to them.

(C) Answers questions of subordinate foremen regarding operating problems; refers policy questions to his superior with appropriate recommendations.

(D) Reviews requests for personnel actions by subordinate foremen, recommending final action to superior.

(E) Reviews estimates of manpower required, consolidating for recommendation to superior.

Organizational relationships: Administratively responsible to an assistant superintendent of mails or other designated superior. Directs, through general foremen, employees assigned to the tour.

(31) Position: Postmaster, first-class office—Level 11.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, personnel, and other related activities. This office has approximately 53 employees, annual receipts of $314,000, 6 Government-owned vehicle units, no classified stations, and 25 city and rural delivery routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of mails and to provide courteous and efficient service to the patrons.

(B) Maintains direct contact with the public on administrative matters and gives personal attention to complaints.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Directs the activities of all employees; supervises arrangement of working schedules of employees; recommends promotions of employees and is responsible for the proper administration of the Efficiency Appraisal System.

(E) Checks financial accountability of employees in accordance with existing instructions; makes daily deposits of accountable funds in local bank; obtains bids for proposed purchases; requisitions supplies.

(F) Prepares annual estimates of manpower needs and operating allowances for submission as required.

(G) Prepares numerous reports of a recurring nature, reflecting various transactions of the post office; submits postmaster's accounts with supporting vouchers and documents in accordance with existing instructions.

(H) Advertises for bids for various services, including contract stations, vehicular service, mail messenger service, and vehicular maintenance service, and submits bids, with recommendations, as required.

(I) Directs the maintenance of files for the office.

(J) May personally handle window transactions and perform work elsewhere in the office as the workload requires.

Organizational relationships: Administratively responsible to a district manager.

(32) Position: Postal inspector—Level 12.

Basic function: Is responsible in an assigned territory, usually including all classes of post offices, for inspection and invesigative programs covering all phases of the postal service. In heavily populated areas may be assigned a majority of the time to selected types of work as determined by the inspector-in-charge.

Duties and responsibilities: Assigned territory:

(A) Inspects post offices and related postal units to insure compliance with postal laws and regulations, protection and proper expenditure of postal revenues and appropriated funds, and evaluates and reports to administrative officials on operational efficiency.

(B) Maintains close working relationship with regional officials and submits to them factual information and recommendations on conditions and needs of the postal service; acts as counselor to postmasters and other postal officials and employees in explaining instructions, regulations, applicable laws and decisions.

(C) Investigates violations of postal laws, including, but not limited to, armed robbery, mailing of bombs, burglary, theft of mail, embezzlements, obscene literature and pictures, and mail fraud.

(D) Determines the validity and seriousness of charges against postmasters and other officers and employees and makes pertinent recommendations.

(E) Investigates local and area operating problems and recommends corrective action, and within his prescribed jurisdiction, initiates necessary corrective action, including restoration of service immediately in disaster areas caused by hurricanes, tornadoes, floods, and other catastrophes.

(F) Maintains liaison activities (i) with military installations to insure adequate postal service for the military forces; (ii) with Federal and State civil defense authorities at the area level; (iii) with branches of Federal and State law enforcement agencies.

(G) Ascertains postal needs for post offices and stations, rural and city delivery, changes in schedules, quarters, equipment, manpower, and procedures and reports findings and recommendations to appropriate officials.

Selected cases:

(H) Investigates the loss, theft, destruction, and damage to mail matter through technical analyses of complaints and other specialized procedures.

(I) Investigates money-order forgeries; investigates complaints of use of the mails to defraud and to operate lotteries.

(J) Investigates personal injuries, motor-vehicle and other accidents; develops evidence for defense suits under the so-called Federal Tort Claims Act; recommends out-of-court settlements.

(K) In any criminal investigation, develops evidence, locates witnesses and suspects; apprehends and effects arrests of postal offenders, presents facts to United States attorney, and collaborates as required with Federal and State prosecutors in presentation before United States commissioner, grand jury, and trial court.

(L) Surveys postal service on an area basis to ascertain and recommend ways of improving service and effecting economies.

(M) Makes investigations of a variety of other matters and performs related duties as assigned.

Organizational relationships: Responsible to the inspector-in-charge or the assistant inspector-in-charge of the division. Supervises trainees and other inspectors as assigned.

(33) Position: Postmaster, first-class office—Level 12.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services. This office has approximately 72 employees, annual receipts of $797,000, 6 Government-owned vehicle units, no classified stations, and 17 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide efficient and courteous postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency-appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the Department.

Organizational relationships: Administratively responsible to a district manager.

(34) Position: Station superintendent, large classified station—Level 13.

Basic function: Directs the operations of a large classified station, including the distribution, delivery, and dispatch of mail, and all required window services to the public.

Duties and responsibilities:

(A) Plans and supervises the distribution of incoming and outgoing mails, the delivery service, including special delivery, and the ditspatch of outgoing mail.

(B) Supervises services to the public at windows, including sales of stamps and stamped paper, money orders, postal savings stamps and certificates, migratory and documentary stamps, registry and insurance of mail; handling of c. o. d. items; general delivery and box mail.

(C) Supervises city and rural carriers and determines that delivery schedules are maintained; consults in the adjustment and establishment of routes to reflect changes in volume, patronage, or population; and recommends establishment or changes in location of collection boxes.

(D) Directs and maintains required records for personnel of station; verifies and approves timecards for payroll purposes; makes manpower estimates and reports; trains new supervisors and employees in various aspects of station operations.

(E) Requisitions supplies and equipment, stamps, stamped paper, and accountable forms from main post office, reissuing to subordinates as required. Is responsible for entire fixed credit of stations and for operation within the allowance granted.

(F) Maintains effective relations with large mailers and the public; simplifies handling of mail, and takes appropriate action to meet complaints.

(G) In addition, may perform any of the following duties:

(i) Supervises the cleaning and custodial maintenance of the station building.

(ii) Makes necessary arrangements for special services such as alien registrations, special census reports, or handling of special purpose mailing.

Organizational relationships: Administratively responsible to a superintendent of mails or other designated superior. Directs, through subordinate supervisors, approximately 1,000 or more employees.

(35) Position: Assistant postmaster, first-class office—Level 13.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. The office has approximately 450 employees, annual receipts of $2,700,000, 50 Government-owned vehicle units, 1 classified station or branch, and 130 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationship: Administratively responsible to the postmaster.

(36) Position: Postmaster, first-class office—Level 13.

Basic function: Is responsible for all operations of a first-class post office, including the direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 180 employees, annual receipts of $1 million, 21 Government-owned vehicle units, 3 classified stations, and 65 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organize the post office to insure expeditious handling of the mails and to provide efficient and courteous postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully se-

lected and adequately trained for their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

Organizational relationships: Administratively responsible to a district manager.

(37) Position: Assistant postmaster, first-class office—Level 14.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately 1,200 employees, annual receipts of $8,460,000, 117 Government-owned vehicle units, 16 classified stations and branches, and 290 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationship with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(38) Position: Postmaster, first-class office—Level 14.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 450 employees, annual receipts of $2,700,000, 50 Government-owned vehicle units, 1 classified station or branch, and 130 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the supply center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(39) Position: Assistant postmaster, first-class office—Level 15.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative and service functions of the post office. This office has approximately 3,200 employees, annual receipts of $16,900,000, 200 Government-owned vehicle units, 34 classified stations and branches, and 1,000 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(40) Position: Postmaster, first-class office—Level 15.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 700 employees, annual receipts of $4,470,000, 77 Government-owned vehicle units, 8 classified stations and branches, and 200 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the efficiency appraisal system and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(41) Position: General superintendent, PTS Division—Level 16.

Basic function: Directs all activities of a division of the Postal Transportation Service of average size and complexity in terms of numbers of employees and in expenditure of funds, or in terms of the importance of the mail gateways in the division, the volume and complexity of the mail and mail handling operations, and concentrations which create congestions. Is responsible for the transportation, transfer, distribution, and dispatch of mail in transit, and for the efficient and economical operation of the division.

Duties and responsibilities:

(A) Directs and coordinates the activities of subordinate district superintendents in planning and effectuating the transportation and processing of transit mail within, entering, or emanating from the division; confers with officials of commercial carriers regarding mail handling and transportation, schedules, security of mail in transit, and rates.

(B) Provides, through his assistants, general supervision over the activities of the employees of the division. Establishes manpower controls, effective employee relations, and inspections of personnel activities, both informally and as required by regulations.

(C) Exercises administrative control over the district superintendents and, through them, the constituent field units such as transfer offices, airmail fields, terminals, railway post office lines, highway post office lines, and contract carriers such as star routes and

mail messenger routes, and related operating units; maintains financial control of the division, reporting on expenditures and requirements as directed.

(D) Maintains liaison with airlines, railroads, trucklines, and other contract carriers; contacts major publishers, mail-order houses, and other large volume patrons with respect to mass mailing problems.

(E) Coordinates division activities with those of contiguous divisions and with other segments of the Post Office Department within the area.

Organizational relationships: Administratively responsible to a regional director. Directs, through an assistant and district superintendents, up to 3,300 employees.

(42) Position: Assistant postmaster, large first-class office—Level 16.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately 8,000 employees, annual receipts of $48 million, 400 Government-owned vehicle units, 50 classified stations and branches, and 1,400 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(43) Position: Postmaster, first-class office—Level 16.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 1,200 employees, annual receipts of $8,460,000, 117 Government-owned vehicle units, 16 classified stations and branches, and 290 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints all personnel to serve in the post office within the limits prescribed by Departmental and Civil Service Regulations; determines that all personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(44) Position: General superintendent, largest PTS Division—Level 17.

Basic function: Directs all activities of one of the largest divisions of the Postal Transportation Service in terms of numbers of employees and in expenditure of funds, as well as in terms of the importance of the mail gateways in the division, the volume and complexity of the mail and mail handling operations, and concentrations which create congestions. Is responsible for the transportation, transfer, distribution, and dispatch of mail in transit, and for the efficient and economical operation of the division.

Duties and responsibilities:

(A) Directs and coordinates the activities of subordinate district superintendents in planning and effectuating the transportation and processing of transit mail within, entering, or emanating from the division; confers with officials of commercial carriers regarding mail-handling and transportation schedules, security of mails in transit, and rates.

(B) Provides, through his assistants, general supervision over the activities of the employees of the division. Establishes manpower controls, effective employee relations, and inspections of personnel activities, both informally and as required by regulations.

(C) Exercises administrative control over the district superintendents and, through them, the constituent field units such as transfer offices, airmail fields, terminals, railway post office lines, highway post office lines, and contract carriers such as star routes and mail messenger routes, and related operating units; maintains financial control of the division, reporting on expenditures and requirements as directed.

(D) Maintains liaison with airlines, railroads, trucklines, and other contract carriers; contacts major publishers, mail-order houses, and other large-volume patrons with respect to mass mailing problems.

(E) Coordinates division activities with those of contiguous divisions and with other segments of the Post Office Department within the area.

Organizational relationships: Administratively responsible to a regional director. Directs, through an assistant and district superintendents, approximately 3,300 or more employees.

(45) Position: Assistant postmaster, largest first-class office—Level 17.

Basic function: Serves as the overall assistant to the postmaster, particularly on internal operations, and provides general direction over the mails, finance, administrative, and service functions of the post office. This office has approximately 20,000 employees, annual receipts of $140 million, 1,100 Government-owned motor-vehicle units, 66 classified stations and branches, and 3,200 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Participates in the organization and management of the office to insure expeditious handling of the mails and to provide courteous and efficient service to patrons.

(B) Reviews and evaluates recommendations referred to the postmaster by subordinates with respect to promotions and disciplining of post-office personnel; generally oversees the training of all personnel for their respective positions.

(C) Directs a continuous audit program concerning the accountability of responsible finance employees of the office.

(D) Reviews estimates of manpower needs and operating allowances for action of the postmaster.

(E) Analyzes and reports to the postmaster the daily manpower expenditures and is responsible through designated subordinates for maintaining proper apportionment of authorized allowances to operating units.

(F) Gives assistance and direction to key subordinate officials in planning and executing the mail-handling, finance, and administrative programs of the post office.

(G) Reviews reports and recommendations of subordinates and attends to administrative matters essential to the management of the post office.

(H) Represents the postmaster in relationships with the public in the area, including representation with employee organizations.

(I) Carries out special assignments for and as directed by the postmaster.

(J) Assumes complete responsibility and authority for the post office in the postmaster's absence and at other times as required.

Organizational relationships: Administratively responsible to the postmaster.

(46) Position: Postmaster, first-class office—Level 17.

Basic function: Is responsible for all operations of a first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office and stations and branches. This office has approximately 3,200 employees, annual receipts of $16,900,000, 200 Government-owned vehicle units, 34 classified stations and branches, and 1,000 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of

the post office for submission to the supply center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(47) Position: Postmaster, large first-class office—Level 18.

Basic function: Is responsible for all operations of a large first-class post office, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office and stations and branches. This office has approximately 8,000 employees, annual receipts of $48 million, 400 Government-owned vehicle units, 50 classified stations and branches, and 1,400 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully selected and adequately trained for their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

Organizational relationships: Administratively responsible to a regional director or other designated superior.

(48) Position: Postmaster, largest first-class office—Level 19.

Basic function: Is responsible for all operations of one of the largest first-class offices, including direction and supervision of mails, finance, buildings, personnel, and related services in the main post office, stations, and branches. This office has approximately 20,000 employees, annual receipts of $140,000,000, 1,100 Government-owned vehicle units, 66 classified stations and branches, and 3,200 carrier routes within its jurisdiction.

Duties and responsibilities:

(A) Organizes the post office to insure expeditious handling of the mails and to provide courteous and efficient postal service to patrons.

(B) Represents the Post Office Department in its relationships with the public in the area.

(C) Appoints personnel to serve in the post office within the limits prescribed by departmental and civil-service regulations; determines that personnel are carefully selected and adequately trained in their respective positions.

(D) Supervises the administration of the Efficiency Appraisal System and is responsible for maintaining satisfactory employee relations with representatives of employee organizations and individual employees.

(E) Reviews estimates of manpower needs and operating allowances, submits requests and recommendations as required, and determines that operations are efficiently carried out and expenditures authorized in accordance with approved estimates.

(F) Provides for the safeguarding of all moneys, the operation and maintenance of equipment and other facilities of the post office, and for the expenditure of funds in accordance with applicable laws and regulations.

(G) Approves requisitions for supplies and equipment submitted by operating officials of the post office for submission to the Supply Center or the Department.

Organizational relationships: Administratively responsible to a regional director.

(49) Position: Regional director—Level 20.

Basic function: Directs the management of all postal activities within the jurisdiction of an assigned region in accordance with basic departmental policies and with functional direction and guidance from Assistant Postmasters General.

Duties and responsibilities:

(A) Develops and formulates policies and practices for the region within basic policies and instructions of the Postmaster General.

(B) Manages post office operations.

(C) Administers routing, distribution, and transportation of mail within and in transit through the region.

(D) Arranges for the provision of adequate facilities and equipment for all postal functions in the region.

(E) Administers the personnel program of the region, including employment, placement, training, evaluation of positions, employee relations, and other personnel functions.

(F) Authorizes and issues allowances for all expenditures and exercises budgetary controls.

(G) Administers cost reduction programs and provides industrial engineering services to operating segments of the region.

(H) Maintains effective public relations with the general public, large mail users, and with Federal, State, and municipal authorities.

Organizational relationships: Administratively responsible to the Deputy Postmaster General. Directs, through subordinate officials, approximately 30,000 to 35,000 employees in some 3,000 offices within the region.

Dual employment and extra duties

SEC. 204. (a) An employee may be appointed to more than one position and shall be paid compensation at the rate provided by law for each position, without regard to the provisions of sections 1763, 1764, and 1765 of the Revised Statutes, as amended (5 U. S. C., secs. 58, 69, and 70).

(b) As the needs of the service require, an employee may be assigned from time to time to perform, without change in compensation, duties, and responsibilities other than the duties and responsibilities specifically set forth in his position description; however, if any employee is assigned for more than 30 days in any calendar year to duties and responsibilities of a salary level which is higher than the salary level to which his position is assigned, except to perform service in a relief capacity for a supervisor granted compensatory time pursuant to section 603, he shall be paid for the period of his assignment in excess of 30 days a basic salary computed in accordance with the provisions of section 502.

Report of the Postmaster General

SEC. 205. (a) The Postmaster General shall transmit to the Congress, on or before January 15, 1956, a comprehensive report of operations under this title. Such report shall include, among other matters, the following—

(1) information, in summary and in detail, with respect to actions by the Postmaster General taken under section 201, with specific reference to the definitions of positions, the designations of the respective salary levels to which such positions are assigned, and the reasons for such actions;

(2) a statement showing the number of employees determined to be in each key position under section 203, and the occupational titles of such employees immediately prior to the conversion of such employees under section 304 (b);

(3) a statement with respect to the operation of the appeals system prescribed by section 202, including the number of such appeals by employees, a general discussion of the reasons for such appeals, the actions taken thereon and the reasons therefor; and

(4) such other information and evidence as is necessary to enable the Committees on Post Office and Civil Service of the Senate and the House of Representatives to carry out the responsibility for supervision and review of the administration of this title, in accordance with section 136 of the Legislative Reorganization Act of 1946 (Public Law 601, 79th Cong.).

(b) The report submitted by the Postmaster General under subsection (a) of this section shall be delivered to the President of the Senate and to the Speaker of the House of Representatives on the same day, and shall be referred to the Committees on Post Office and Civil Service of both Houses. The report shall be printed as a House document.

TITLE III—BASIC SALARY SCHEDULES

Postal Field Service Schedule

SEC. 301. (a) There is established a basic salary schedule for positions in the postal field service which shall be known as the Postal Field Service Schedule, and for which the symbol shall be "PFS". Except as provided in sections 302 and 303 of this act, basic salary shall be paid to all employees in accordance with this schedule.

Postal Field Service Schedule

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$2,880	$2,980	$3,080	$3,180	$3,280	$3,380	$3,480
2	3,090	3,195	3,300	3,405	3,510	3,615	3,720
3	3,330	3,445	3,560	3,675	3,790	3,905	4,020
4	3,660	3,785	3,910	4,035	4,160	4,285	4,410
5	3,880	4,005	4,130	4,255	4,380	4,505	4,630
6	4,190	4,330	4,470	4,610	4,750	4,890	5,030
7	4,530	4,685	4,840	4,995	5,150	5,305	5,460
8	4,890	5,060	5,230	5,400	5,570	5,740	5,910
9	5,280	5,465	5,650	5,835	6,020	6,205	6,390
10	5,800	6,000	6,200	6,400	6,600	6,800	7,000
11	6,380	6,600	6,820	7,040	7,260	7,480	7,700
12	7,020	7,260	7,500	7,740	7,980	8,220	8,460
13	7,730	7,990	8,250	8,510	8,770	9,030	9,290
14	8,500	8,780	9,060	9,340	9,620	9,900	10,180
15	9,350	9,650	9,950	10,250	10,550	10,850	11,150
16	10,300	10,600	10,900	11,200	11,500	11,800	12,100
17	11,400	11,700	12,000	12,300	12,600	12,900	13,200
18	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19	13,600	13,900	14,200	14,500	14,800		
20	14,800						

(b) The basic salary for hourly rate employees shall be computed by dividing the per annum rates prescribed in the Postal Field Service Schedule (1) by 2,080 in the case of hourly rate employees other than substitutes, and (2) by 2,016 in the case of substitute employees.

Rural Carrier Schedule

SEC. 302 (a) There is established a basic salary schedule which shall be known as the Rural Carrier Schedule, and for which the symbol shall be "RCS," for carriers in the rural delivery service, which is based in part on fixed compensation per annum and in part on specified rates per mile per annum. Basic salary shall be paid to rural carriers in accordance with this schedule.

Rural Carrier Schedule

	Per annum rates and steps						
	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$1,566	$1,611	$1,656	$1,701	$1,746	$1,791	$1,836
Compensation per mile per annum for each mile up to 30 miles of route	65	67	69	71	73	75	77
For each mile of route over 30 miles	22	22	22	22	22	22	22
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	1,566	----	----	----	----	----	----
Compensation per mile per annum for each mile up to 30 miles of route	65	----	----	----	----	----	----
For each mile of route over 30 miles	22	----	----	----	----	----	----
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

(b) A rural carrier serving one triweekly route shall be paid on the basis of a route one-half the length of the route served by him. A rural carrier serving 2 triweekly routes shall be paid on the basis of a route one-half the combined length of the 2 routes.

(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes not exceeding 61 miles in length. He may not pay additional compensation to a carrier serving such a route in an amount which would exceed $4,700, when added to the basic salary for the maximum step in the Rural Carrier Schedule for his route. In case any such heavily patronized route is extended in length, the rural carrier assigned to such route at the time of such extension shall not be reduced in pay.

(d) The Postmaster General may pay additional compensation to rural carriers who are required to carry pouch mail to intermediate post offices, or for intersecting loop routes, in all cases where it appears that the carriage of such pouches increases the expense of the equipment required by the carrier or materially increases the amount of labor performed by him. Such compensation shall not exceed the sum of $12 per annum for each mile such carrier is required to carry such pouches.

(e) In addition to the other compensation, rural carriers shall be paid the authorized fee for making special delivery of mail. Such fee shall not be paid when (1) no special delivery service is rendered, (2) delivery is made into a rural mail box, or (3) delivery is made to the addressee or his representative on the rural carrier's route.

Fourth-class Office Schedule

SEC. 303. (a) There is established a basic salary schedule which shall be known as the Fourth-class office schedule, and for which the symbol shall be "FOS," for postmasters in post offices of the fourth class which is based on the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic salary shall be paid to postmasters in post offices of the fourth class in accordance with this schedule, and basic salary so paid, together with other forms of compensation provided by this act, shall replace all existing forms of compensation for such postmasters.

(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. In adjusting a postmaster's basic salary under this section the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 401 of this act and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.

(c) The basic salaries of postmasters at newly established offices of the fourth class shall be fixed at the lowest salary rate. Whenever unusual conditions prevail at any post office of the fourth class the Postmaster General may advance such office to the appropriate category or class indicated by the receipts of the preceding quarter. Any fourth-class office advanced to the appropriate category or class pursuant to this subsection shall not be reduced in category or class until the start of the first pay period after July 1 of the calendar year following the calendar year in which it was so advanced, at which time it shall be assigned to the category or class indicated by the receipts for the preceding calendar year.

(d) Persons who perform the duties of postmaster at post offices of the fourth class where there is a vacancy or during the absence of the postmaster on sick or annual leave, or leave without pay, shall be paid the same basic salary to which they would have been entitled if regularly appointed as such postmaster.

(e) The Postmaster General may allow to postmasters in fourth-class post offices additional compensation for separating services and for unusual conditions during a portion of the year, in lieu of an allowance for clerical services for this purpose.

(f) At seasonal post offices of the fourth class, the Postmaster General may authorize the payment of the basic salary prorated over the pay periods such office is open for business during the fiscal year.

(g) Where the gross postal receipts of a post office of the third class for each of two consecutive calendar years are less than $1,500, or where in any calendar year the gross postal receipts are less than $1,400, such post office shall be relegated to the fourth class and the basic salary of the postmaster shall be fixed in the manner provided in subsection (b) of this section.

Fourth-class Office Schedule

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,514	$2,598	$2,682	$2,766	$2,850	$2,934	$3,018
$900 to $1,299.99	2,304	2,381	2,458	2,535	2,612	2,689	2,766
$600 to $899.99	1,886	1,949	2,012	2,075	2,138	2,201	2,264
$350 to $599.99	1,467	1,516	1,565	1,614	1,663	1,712	1,761
$250 to $349.99	1,048	1,083	1,118	1,153	1,188	1,223	1,258
$200 to $249.99	838	866	894	922	950	978	1,006
$100 to $199.99	629	650	671	692	713	734	755
Under $100	419	433	447	461	475	489	503

Conversion

SEC. 304. (a) Each employee whose basic salary is paid under the act of July 6, 1945 (59 Stat. 435), as amended, or under the Classification Act of 1949 (63 Stat. 954), as amended, and who on or prior to the effective date of this section has earned but has not been credited with a higher automatic salary grade increase under the act of July 6, 1945, or a higher within-grade step-increase under the Classification Act of 1949 for his position, or whose basic salary would have been increased on July 1, 1955, by reason of changed postal receipts, shall be given credit for such increase before his basic salary is adjusted under subsection (b) of this section.

(b) The basic salary of each employee in effect immediately prior to the effective date of the Postal Field Service Schedule, the Rural Carrier Schedule, and the Fourth-Class Office Schedule, shall be adjusted as of such adjusted date to the basic salary in the schedules in the following manner:

(1) If the basic salary of the employee is equal to any step established for his position in the appropriate schedule, such step shall be established as the employee's new basic salary.

2. If the basic salary of the employee is less than the entrance step established for his position in the appropriate schedule, such entrance step shall be established as the employee's new basic salary.

(3) If the basic salary of the employee falls between any two steps established for his position in the appropriate schedule, the higher step shall be established as the employee's new basic salary.

(4) If the basic salary of the employee is greater than the highest step established for his position in the appropriate schedule, such basic salary shall be established as the new basic salary of the employee.

Addition of longevity step-increases

SEC. 305. (a) When the basic salary of an employee, except an employee whose basic salary immediately prior to the effective date of the Postal Field Service Schedule was fixed by the Classification Act of 1949, is established under section 304 of this act,

each longevity step-increase which such employee has earned prior to the effective date of his schedule shall become a part of his basic compensation and shall constitute a longevity step-increase under section 404 of this act.

(b) In the case of an employee whose compensation immediately prior to the effective date of the Postal Field Service Schedule was fixed by the Classification Act of 1949, all creditable service under section 404 shall be counted in order to determine such employee's eligibility for longevity step-increases under such section.

TITLE IV—STEP-INCREASES

Automatic advancement by step-increases

SEC. 401. (a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the Rural Carrier Schedule, the Fourth-Class Office Schedule, or salary level PFS–9 or a lower salary level of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each 52 calendar weeks of satisfactory service, if no equivalent increase in basic salary from any cause was received during such period of 52 calendar weeks. The benefits of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces.

(b) Each employee whose position is allocated to salary level PFS–10 or a higher salary level of the Postal Field Service Schedule shall be advanced to and including step 4 of his salary level in the manner provided in subsection (a) of this section. Advancement of such employee to steps higher than step 4, exclusive of longevity step-increases, shall be granted by the Postmaster General on the basis of superior performance under regulations issued by him, but no such employee is eligible for more than 1 step-increase within the time period specified in subsection (a) of this section.

(c) Each substitute employee in the Postal Transportation Service, whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office, shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but such substitute shall not be advanced beyond step 4 of salary level PFS–5.

Creditable service for advancement

SEC. 402. Each employee in the postal field service is eligible to earn step-increases in accordance with this act. Except for temporary rural carriers serving in the absence of regular rural carriers on leave without pay or on military leave, credit shall not be allowed for time on the rolls under a temporary appointment for 1 year or less unless such time on the rolls is continuous to the date of appointment to a position of unlimited duration.

Adjustment of service credit

SEC. 403. In order to retain to the maximum possible extent promotion credits earned by employees under the act of July 6, 1945, as amended, and in order to prevent the advancement by step-increases of junior employees ahead of senior employees, employees whose basic salaries are adjusted on the effective date of the schedules in this act shall establish credit toward advancement by step increases under section 401 in the following manner:

(1) Each employee in the automatic grades who had not reached the maximum grade for his position under the provisions of the act of July 6, 1945, as amended, shall retain the anniversary date established for his next automatic promotion under such act unless the amount of increase in basic salary which he receives upon adjustment to the appropriate schedule is equal to or greater than the difference between the salary for his automatic grade and the next higher automatic grade for his position under such act.

(2) Employees in the automatic grades who do not retain their anniversary dates under paragraph (1), above, employees who had reached the maximum grades for their positions, and employees who occupied positions for which single rates were established under the act of July 6, 1945, as amended, shall begin the waiting period for advancement to the next step for their positions on the date of adjustment to the schedules in this act.

Longevity step-increases

SEC. 404. (a) There are established for each employee longevity steps A, B, and C. For each promotion to a longevity step—

(1) each postmaster at a post office of the fourth class shall receive an amount equal to 5 percent of his basic salary, or $100 per annum, whichever is the lesser, and

(2) each employee (other than a postmaster at a post office of the fourth class) shall receive $100 per annum.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

(b) Each employee shall be assigned to—

(1) longevity step A at the beginning of the pay period following the completion of 13 years of service;

(2) longevity step B at the beginning of the pay period following the completion of 18 years of service; and

(3) longevity step C at the beginning of the pay period following the completion of 25 years of service.

(c) (1) There shall be credited, for the purposes of subsection (b)—

(A) all time on the rolls, except time on the rolls as a substitute rural carrier, in the postal field service or in the Post Office Department;

(B) all time on the rolls in the custodial service of the Department of the Treasury continuous to the date of the transfer of the employee to the custodial service of the Post Office Department in accordance with Executive Order numbered 6166, dated June 10, 1933;

(C) all time on the rolls as a special-delivery messenger at a first-class post office; and

(D) all time on the rolls as a clerk in a third-class post office for which payment is made from authorized allowances.

(2) In determining longevity credit for the purposes of subsection (b) in the case of an employee whose continuous service in the postal field service or in the departmental service of the Post Office Department shall have been interrupted by service with the Armed Forces or to comply with a transfer during war or national emergency as defined by the United States Civil Service Commission, all time engaged in such service with the Armed Forces or on such transfer shall be credited pro rata for each week of such service. All service specified in this subsection, whether continuous or intermittent, shall be credited on the basis of 1 week for each whole week the employee has been on the rolls, except that credit shall not be allowed for time on the rolls under a temporary appointment for 1 year or less unless such time on the rolls is continuous to the date of appointment to a position of unlimited duration.

(d) Employees on the rolls on the effective date of this section who are entitled to promotion credit for longevity purposes under section 2 of the act approved May 3, 1950 (64 Stat. 102; 39 U. S. C. 889), shall retain all rights and benefits established or continued under such section to the same extent as though such section had remained in effect.

(e) Increases under this section shall not be deemed equivalent increases within the meaning of section 401.

TITLE V—GENERAL COMPENSATION RULES

Appointments

SEC. 501. The Postmaster General may appoint any person who has been employed in a civilian capacity in any branch of the Government to any position in a regional or district office or to any professional or scientific position and may place such person in any step in the salary level of the Postal Field Service Schedule which is less than one full step above the highest basic salary which such person received from the United States.

Promotional

SEC. 502. (a) Any employee who is promoted or transferred to a position in a higher salary level of the Postal Field Service Schedule shall be paid basic salary at the lowest step of such higher salary level which exceeds his existing basic salary by not less than the amount of difference between the entrance step of the salary level from which promoted and the entrance step of the salary level immediately above the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic salary by at least the amount of such difference, such employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic salary, whichever is higher.

(b) Regular clerks and carriers in first- and second-class post offices are not eligible for promotion to positions of higher salary levels in their respective offices unless they are in the maximum steps of their respective salary levels. If for any reason such clerks and carriers in such maximum steps are not available those clerks and carriers in the lower steps in such offices shall be eligible for such promotion.

Compensation of certain temporary employees

SEC. 503. Each temporary employee who is hired for a continuous period of 1 year or less for a position under the Postal Field Service Schedule shall be paid a basic salary at the entrance step for the salary level of the position to which he is appointed.

Prohibition on reduction of former compensation

SEC. 504. (a) Nothing in this act shall be deemed to reduce the per annum or hourly basic compensation of any employee on the rolls on the effective date of the Postal Field Service Schedule, the Rural Carrier Schedule, or Fourth-Class Office Schedule to an amount less than his basic compensation immediately prior to adjustment to such schedules.

(b) For the purposes of this section, "basic compensation" include basic compensation under the Classification Act of 1949.

TITLE VI—PAY ADMINISTRATION

Pay periods and computation of rates

SEC. 601. (a) Employees in the postal field service shall be paid compensation in 26 installments. Each such installment shall be the compensation for a pay period of 2 weeks.

(b) As basic compensation for a full pay period, an employee, other than an hourly rate employee, shall be paid an amount equal to one twenty-sixth of his annual basic compensation. As basic compensation for a portion of a pay period, such employee shall be paid basic compensation computed in accordance with subsection (d) of this section

for the number of days and hours of service for which he has credit.

(c) As basic compensation for the pay period, an hourly rate employee shall be paid an amount equal to the product of his hourly rate of basic compensation and the number of hours of service for which he has credit.

(d) For purposes of computing rates of compensation other than annual rates the following rules shall govern:

(1) To compute an hourly rate of basic compensation for employees other than substitute employees, the annual rate of basic compensation shall be divided by 2,080.

(2) To compute an hourly rate of basic compensation for substitute employees, the annual rate of basic compensation shall be divided by 2,016.

(3) To compute the daily rate of compensation for postmasters, postal inspectors, and rural carriers, the annual rate of compensation shall be divided by 312.

(4) To compute the daily rate of basic compensation for annual rate employees other than postmasters, postal inspectors, and rural carriers, the hourly rate of basic compensation shall be multiplied by the number of daily hours of service required.

(e) Except for lump-sum payments for accumulated leave upon the termination of employment, an annual rate employee shall not be paid more than one twenty-sixth of his basic compensation as basic compensation for a pay period.

(f) All rates shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(g) When a pay period for employees to whom this act applies begins in 1 fiscal year and ends in another, the gross amount of the earnings of such employees for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period.

Hours of work

SEC. 602. Except as otherwise provided in this act, employees shall not be required to work more than 8 hours a day. The work schedule of employees shall be regulated so that the 8 hours of service shall not extend over a longer period than 10 consecutive hours.

Compensatory time, overtime, and holidays

SEC. 603. In emergencies or if the needs of the service require, the Postmaster General may require employees to work more than 8 hours in 1 day, or on Saturdays, Sundays, or holidays. For such service he shall grant employees in the "PFS" schedule compensatory time or pay such employees overtime compensation under the following rules:

(1) Each employee in or below salary level PFS–7 shall be paid for all work in excess of 8 hours in 1 day at the rate of 150 percent of his hourly basic compensation.

(2) (A) Each employee in or below salary level PFS–7 who performs work on Saturdays or Sundays shall, under regulations prescribed by the Postmaster General, be granted compensatory time in an amount equal to the excess time worked within 5 working days, except that, in lieu of such compensatory time, the Postmaster General may, if the exigencies of the service require, authorize such employee to be paid, for work performed on Saturdays and Sundays during the month of December, at the rate of 150 percent of his hourly basic compensation.

(B) If the work performed by such employees on Saturdays and Sundays is less than 8 hours, such service, in the discretion of the Postmaster General may be carried forward and combined with similar service performed on other Saturdays and Sundays. The employees may be allowed compensatory time for such combined service or any part thereof at any time, except that, whenever at least 8 hours of such service has been accumulated, the employees shall be allowed 8 hours compensatory time on 1 day within 5 working days next succeeding the Saturday or Sunday on which the total accumulated service was at least 8 hours.

(3) For time worked on a day referred to as a holiday in the act of December 26, 1941 (5 U. S. C., sec. 87b), or on a day designated by Executive order as a holiday for Federal employees generally, each employee in or below salary level PFS–7, under regulations prescribed by the Postmaster General, shall either be granted compensatory time in an amount equal to such time worked within 30 working days, or be paid premium compensation at a rate equal to his hourly basic compensation for the time so worked. For work performed on Christmas Day, premium compensation shall be paid at a rate equal to 150 percent of the employee's hourly basic compensation.

(4) Each employee in or above salary level PFS–8 who performs overtime or holiday work as described in this section, under regulations prescribed by the Postmaster General, shall be granted compensatory time in an amount equal to such overtime or holiday work.

Night work

SEC. 604. Employees who perform work between the hours of 6 o'clock post meridian and 6 o'clock ante meridian standard or daylight saving time, depending upon which time is observed where such work is performed, shall be paid extra compensation for each hour of such work at the rate of 10 percent of their hourly basic compensation. The differential for night duty shall not be included in computing any overtime compensation to which such employees may be entitled.

Exemption of certain employees from certain provisions relating to pay administration

SEC. 605. (a) Sections 602, 603, and 604 of this act do not apply to the heads of regional or district offices and such other employees of the headquarters staff of regional and district offices as the Postmaster General designates, or to postmasters, rural carriers, postoffice inspectors, traveling mechanicians, and traveling examiners of equipment and supplies.

(b) Sections 602 and 603 of this act do not apply to substitute employees and to employees in the Postal Transportation Service assigned to road duty.

(c) Section 602 of this act does not apply to employees in post offices of the third class.

(d) The provisions of section 603 of this act relating to compensatory time and overtime compensation for work on Saturdays or Sundays do not apply to hourly rate regular employees and to employees in post offices of the third class.

Substitute employment

SEC. 606. (a) Subject to subsection (c) of this section, the Postmaster General shall prescribe the conditions under which substitute positions may be established.

(b) Each substitute, hourly rate, and temporary employee who reports for duty in compliance with an official order shall be employed for not less than 2 hours following the hour at which such employee is ordered to report.

(c) In the case of positions which are the same as or equivalent to the positions enumerated in the act entitled "An act to provide for the appointment of substitute postal employees, and for other purposes," approved June 4, 1936, as amended (39 U. S. C., sec. 834), the ratio of classified substitute employees to regular employees shall not be more than 1 classified substitute to 5 regular employees or fraction thereof with respect to each such position, except that in offices having fewer than 5 regular employees there may be 1 substitute clerk and 1 substitute carrier, and 1 substitute in the motor vehicle service.

Employees in the Postal Transportation Service

SEC. 607. (a) The Postmaster General shall organize the work of employees in the Postal Transportation Service who are assigned to road duty into regularly scheduled tours of duty. Such tours of duty shall aggregate an average of not more than 8 hours a day for 252 days a year, including an allowance of 1 hour and 35 minutes for work to be performed on layoff periods. He shall not grant allowances of time for work performed on layoff periods to employees other than employees engaged in the distribution of mail.

(b) Employees in the Postal Transportation Service assigned to road duty, except substitute employees, who are required to perform work in excess of the scheduled time of their regular tours of duty as established by the Postmaster General shall be paid at the rate of 150 per centum of their hourly basic compensation for such overtime work. In arriving at the amount of overtime to be paid at any time during the calendar year, any deficiencies accrued up to that time during the same calendar year shall be offset against any overtime work by the employee.

(c) Substitute employees in the Postal Transportation Service assigned to road duty shall be paid on an hourly basis for actual work performed according to the time value of each trip of such road duty, including an allowance of time for all work required on layoff periods.

(d) In addition to compensation provided under this act, the Postmaster General, under regulations prescribed by him, may pay not more than $9 per day as travel allowances in lieu of actual expenses, at fixed rates per annum or by such other method as he deems equitable to regular and substitute employees in the Postal Transportation Service who are assigned to road duty, after the expiration of ten hours from the time the initial run begins.

(e) Substitute employees in the Postal Transportation Service shall be credited with full time while traveling under orders of the Post Office Department to and from their designated headquarters to take up assignments.

Special delivery equipment maintenance allowance

SEC. 608. (a) In addition to the compensation provided under this act regular and substitute special-delivery carriers and special-delivery messengers at first-class post offices shall be paid an automotive equipment maintenance allowance at the rate of 7 cents per mile or major fraction thereof for miles traveled under the direction of the Department in making delivery of special-delivery mail or at the option of the Postmaster General at the rate of 90 cents per hour spent in making delivery of special-delivery mail. Payments for equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation.

(b) The Postmaster General may provide or hire vehicles under an allowance basis for use in the delivery of special-delivery mail whenever the needs of the postal field service so require.

Equipment maintenance allowance for rural carriers

SEC. 609. (a) In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to 9 cents per mile for each mile or major fraction of a mile scheduled. The Postmaster General may pay such additional equipment maintenance allowance as he determines to be fair and reasonable, not in excess of $3 per day when combined with the equipment maintenance allowance provided by the preceding sentence, to rural carriers entitled to additional compensation under section 302

(c) of this act for serving heavily patronized routes. Payments for such equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation.

(b) Any employee in the postal field service who is assigned to serve any rural route, and who furnishes the vehicle used in the performance of such service, shall be paid the equipment maintenance allowance provided for the route so served, in addition to his compensation.

Allowances for postmasters in fourth-class post offices

SEC. 610. Postmasters of fourth-class post offices shall be paid as allowances for rent, fuel, light, and equipment an amount equal to 15 percent of the basic compensation earned in each pay period, at the same time and in the same manner as their regular compensation.

TITLE VII—SALARY INCREASES

Retroactive basic salary increases

SEC. 701. (a) The basic salary in effect immediately prior to the effective date of this section, of each employee paid under the act of July 6, 1945, as amended (39 U. S. C., secs. 858, 859, 861a, 862, 863–866, 868, 869), or under the Classification Act of 1949, as amended, shall be increased by 6 percent effective March 1, 1955 (rounded to the nearest dollar in the case of per annum rates and to the nearest one-half cent in the case of hourly rates, a half-dollar or one-quarter of a cent being rounded to the next highest dollar or one-half cent, respectively). Such increase shall be applied (1) in the case of each rural carrier to his fixed compensation, his compensation per mile, and any additional compensation allowed him for serving a heavily patronized route, and (2) to the amounts specified in sections 3 (c), 3 (d), 12 (a), 12 (e), 15 (f), and 17 (d) of the act of July 6, 1945 (Public Law 134, Seventy-ninth Congress), as amended.

(b) Retroactive salary shall be paid under this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or of the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive salary shall be paid a retired postmaster, officer, or employee for services rendered during the period beginning March 1, 1955, and ending with the date of his retirement, or in accordance with the provisions of the act of August 3, 1950, for services rendered by a deceased postmaster, officer, or employee during the period beginning on March 1, 1955, and ending with the date of his death. For the purposes of this subsection, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

TITLE VIII—MISCELLANEOUS PROVISIONS

Classes of post offices

SEC. 801. At the beginning of each fiscal year, the Postmaster General shall divide post offices into four classes on the basis of gross annual postal receipts for the preceding calendar year. He shall place in the first class those post offices at which such receipts are $40,000 or more. He shall place in the second class those post offices at which such receipts are $8,000 or more, but less than $40,000. He shall place in the third class those post offices at which such receipts are $1,500 or more, but less than $8,000. He shall place in the fourth class those offices at which such receipts are less than $1,500, except as provided in section 303 (g).

Assignment of employees

SEC. 802. With the consent of the employee, the Postmaster General is authorized to detail any employee, including any employee of the departmental service, between the postal field service and the departmental service to such extent as may be necessary to develop a more efficient working force and more effectively to perform the work of the Department. Each such detail shall be made for a period of not more than 1 year and may be made without change in compensation of the employee so detailed.

Increases in basic compensation not "equivalent increases"

SEC. 803. Any increase in rate of basic compensation by reason of enactment of this act shall not be considered as an "equivalent increase" in compensation within the meaning of section 701 (a) (A) of the Classification Act of 1949, in the case of employees who transfer or are transferred to a position coming within the purview of the Classification Act of 1949.

Postal employees of the Canal Zone Government

SEC. 804. The Governor of the Canal Zone is authorized and directed to adopt applicable provisions of this act for postal employees of the Canal Zone Government, as of the respective effective dates of such applicable provisions.

References in other laws with respect to Public Law 134, 79th Congress

SEC. 805. (a) Whenever reference is made in any other law to the act of July 6, 1945 (59 Stat. 435), as amended, such reference shall be held and considered to mean this act. Whenever reference is made in any other law to a "grade" of such act of July 6, 1945, such reference shall be held and considered to mean the corresponding basic salary step in any schedule contained in this act.

(b) The application of this act to any position or employee shall not be affected by reason of the enactment of subsection (a).

Applicability of act to Guam

SEC. 806. This act shall have the same force and effect within Guam as within other possessions of the United States.

Regulations of Postmaster General

SEC. 807. The Postmaster General is hereby authorized to issue such regulations as may be necessary for the administration of this act.

Civil Service Act and Rules, Veterans' Preference Act of 1944

SEC. 808. This act shall not be construed to modify the application of the Civil Service Act and Rules or the Veterans' Preference Act of 1944 to the postal field service.

Authorization of appropriations

SEC. 809. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Effective dates

SEC. 810. (a) This section shall take effect on the date of enactment of this act.

(b) This act, except title VII, section 607 (d) and this section, shall take effect on such date as may be specified by the Postmaster General, but not later than 180 days after the date of its enactment.

(c) Title VII and section 607 (d) shall take effect on the first day of the first pay period which begins after the date of enactment of this act.

(d) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, changes in the rates of compensation which result from the enactment of title VII shall be deemed to be effective as of the first day of the first pay period which begins on or after the date of enactment of this act.

The SPEAKER. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it is the purpose of this legislation to provide an increase in the compensation of postal employees and, at the same time, bring about correction of serious inequities in the salary schedule by the adoption of an improved method of classifying postal employees for salary purposes.

Under this bill, all postal employees will receive a minimum increase of 6 percent on their basic salaries, effective March 1, 1955, and within 180 days after enactment will then be fitted into a salary schedule providing for a pay scale establishing a more realistic relationship between the various positions—particularly with reference to their duties and responsibilities—and the salaries of such positions. The adjustment to the new salary schedule will result in a payroll increase of approximately 2 percent.

Mr. Speaker, this is the fourth time that the House has considered postal pay legislation this session. The bill that we are considering today is Senate 2061, which was introduced by the chairman of the Senate Post Office and Civil Service Committee. This bill passed the Senate unanimously, and I hope it will meet with the same approval in the House today.

Your Committee on Post Office and Civil Service reported out this bill unanimously with two amendments. These two amendments are minor clarifying amendments. The first amendment merely affirms the view of the committee that the simple distribution of parcel post packages by mail handlers is an incidental or occasional rather than a primary function of mail handlers. The second amendment clarifies the status of special delivery messengers under the bill.

The committee was concerned that under the bill as passed by the other body the position of special delivery messenger might be eliminated or completely prohibited. This amendment will continue the present status of special delivery messengers presently on the rolls and will permit additional appointments to the position of special delivery messenger.

Mr. Speaker, there are very few major changes in the bill before you today, as compared with H. R. 4644, the bill originally reported out by your Committee on Post Office and Civil Service. The changes made are not too substantial. The Senate Post Office and Civil Service Committee in its report on the bill before you, S. 2061, had this to say:

This measure adopts with only minor modifications the basic position classification

plan and pay schedules recommended by the Postmaster General. The explanation of the plan and schedules appears as House Report No. 224 (to accompany H. R. 4644) which for reasons of expediency is herein incorporated by reference.

What are the changes in the bill before you and the bill which was vetoed by the President recently? As I have said before, they are very minor changes. The President in his veto message stated that the bill which he vetoed discriminated against large groups of postal employees such as rural letter carriers, special delivery messengers, and many postmasters and supervisors. He also stated that the total cost of the bill was approximately $180 million a year, and that it is substantially greater than was necessary to adjust postal salaries to a fair level either from the standpoint of pay for comparable work or from the standpoint of increase in the cost of living. These two objections of the President have been removed by the present bill. The rural letter carriers have been given an increase which puts them in line with the city letter carriers. The special delivery messengers have also been taken care of by placing them on the same level as city carriers, level No. 4, in the bill. While the bill which the President vetoed would have cost approximately $180 million, the bill presently before us will cost about $166 million, a reduction of $14 million.

The principal changes in this bill from the vetoed bill are these. First, the vetoed bill provided a 7 percent retroactive increase; the bill before you provides a 6 percent increase retroactive to March 1; and, second, each step in salary level 1 is $10 lower in S. 2061 than in S. 1.

The initial step of salary level 2 is $10 higher, but each step increment is $5 less, in S. 2061 than in S. 1.

Each step increment for salary level 3 is $5 higher in S. 2061 than in S. 1.

Salary level 4 of S. 2061 runs from $3,660 to $4,410 in steps of $125. This level includes special delivery messengers who were in level 4 of S. 1, as well as city carriers, window clerks, distribution clerks, and motor vehicle employees, who were in level 5 of S. 1.

The maximum step increment in S. 2061 is $300, which applies to salary levels 16, 17, and 18; it was $250 in S. 1.

As I have already stated, these are the principal changes in this bill. This is a good bill. I think when this bill is passed by the House and approved by the President it will be a landmark in Post Office Department history. It will be an historic day in the Post Office Department when we have a sound, modern reclassification system.

I do not know of any objections to this bill. As I said before, your committee voted it out unanimously. It passed the Senate unanimously. I hope it will pass the House unanimously today.

Mr. Speaker, I should like at this point to compliment and commend each and every member of my committee who has worked so conscientiously and under tremendous pressures from all sides. As I have stated, this bill was recommended by us unanimously. It is not too different from the bill we recommended last March. Through all of the controversy that has surrounded it, there has been a great deal of misinformation and confusion. I would like the record to show that our committee took a very complex and technical bill, one affecting over half a million employees, and made a number of constructive changes. I would like to list these changes, together with their effect, that we may record here the many benefits and safeguards that have been placed in this bill during its course through the legislative process. There are 15 of these benefits and safeguards which I am pleased to enumerate, as follows:

APPEALS TO THE CIVIL SERVICE COMMISSION

The bill provides that an aggrieved employee may appeal to the United States Civil Service Commission any administrative action taken or decisions made with respect to, first, the ranking of his position as to salary level if it is other than one of the "key positions" in section 203; and second, the designation of his position as a "key position" on the basis of and in accordance with the description of the duties and responsibilities of such position. The appeal will be for the purpose of determining whether his position has been properly allocated. The decision of the Civil Service Commission is made mandatory on the Postmaster General.

NO DOWNGRADING OR REDUCTION IN SALARY OF PRESENT EMPLOYEES AND SUBSTITUTES

The bill contains prohibitions against downgrading of individuals and assures employees they will continue to receive their present salary plus the 6 percent added during the process of conversion to the salary schedules contained in the bill.

It also provides that nothing in this act shall be deemed to reduce the per annum or hourly basic compensation of any employee on the rolls on the effective date of the postal field service schedule, rural carrier schedule, or fourth-class office schedule to an amount less than his basic compensation immediately prior to adjustment to such schedules—present rate plus 6 percent. It would not preclude reduction due to voluntary acceptance of a lower level position in lieu of separation from the service, or due to a change in salary level required because of a subsequent reduction in mail volume or receipts of a post office or because of the adjustment of a rural route.

CLASSIFICATION INCREASE

S. 2061 contains substantially higher annual salaries for those employees placed in level 4 when compared with the original administration proposal in the bill introduced as H. R. 2987. These additional increases, which will go to motor vehicle operators, city letter and special-delivery carriers, carriers, distribution clerks, window clerks, and special-delivery messengers, represent an additional increase in payroll cost of $25 million annually. This will increase the starting rate for these employees from the present rate of $3,270—$3,170 in the case of special-delivery messengers—to $3,660 a year, an increase of $390 a year, or approximately 12 percent. The maximum rate will be increased from the present rate of $4,070 to $4,410 a year. In addition, many of these employees at the top are eligible for the additional longevity grades of $100 each at 13, 18, and 25 years' service, making a top rate of $4,710.

LONGEVITY PAY FOR SUBSTITUTES

The bill will provide longevity for substitutes for the first time. In some post offices, and this will be particularly important now that the number of automatic steps has been reduced in the case of the large clerk-carrier group from 9 to 7, many substitutes have been at the top of their automatic steps and not eligible for longevity promotions until they become regulars. This bill will permit substitutes to receive longevity pay on the same basis as regular employees—that is, at the end of 13, 18, and 25 years of service.

LARGER ANNUAL INCREASES

Under the provisions of the bill, movement of each clerk and carrier to the top steps of his salary level will be accelerated. This is done by reducing the number of automatic steps from 9 to 7 and increasing the amount of each automatic step.

AUTOMATIC STEP INCREASES FOR POSTMASTERS AND SUPERVISORS

Under Public Law 134, 79th Congress, postmasters and supervisors are paid single per annum rates, whereas the rank and file employees are given annual automatic increases. The postal field service, rural carrier, and fourth-class office schedules in S. 2061—designated as PFS, RCS, and FOS schedules, respectively—provide that all employees, including postmasters and supervisors, shall be placed in 7-step levels, except for PFS–19 and PFS–20 employees, for whom 7-step levels are precluded by the present $14,800 maximum. This opportunity for salary increases as skills and responsibilities increase is an important incentive factor and should apply to all employees.

SALARY INCREASE OF PROMOTIONS GUARANTEED

The bill provides that when an employee is promoted to a higher salary level in the PFS schedule, he shall receive as a minimum increase the amount of difference between the first step of the salary level from which promoted and the first step of the next higher salary level. Thus, an employee who assumes more responsible duties receives a substantial increase in pay rather than a token increase or no increase at all, which is commonly the case under Public Law 134.

GREATER PROMOTIONAL OPPORTUNITIES

This bill will afford far greater opportunity for promotion. The establishment of 20 salary levels in the PFS schedule in S. 2061 will permit the classification of many positions at salary levels above, as well as between, the rates established in Public Law 134. Under that law, the Post Office Department has been able to pay employees only on the basis of job titles and the pay rates established in the law for those titles. The number of certain supervisory titles which an office might have also was prescribed.

Thus, for example, an employee serving as a substitute for a superintendent

of mails who is on extended sick leave may not be compensated for the added responsibility because the title and salary structure of Public Law 134 does not permit it. This bill will permit proper salary payments in such cases.

There are many positions, both supervisory and nonsupervisory, whose duties and responsibilities warrant a pay differential which is not provided in present law. Under S. 2061 the greater responsibilities of the positions can now be reflected in greater compensation. The effect is that upon enactment of the legislation the incumbents of these positions will receive pay adjustments which are tantamount to promotions. As vacancies occur there will be these additional higher paying positions to which others can be promoted.

The inclusion of regional and district office positions in the same salary schedule with other postal field service positions will make possible the establishment of orderly promotion lines from other positions in the postal field service to positions in the regional and district offices.

RESTRICTIONS ON APPOINTMENTS FROM OUTSIDE THE POSTAL FIELD SERVICE

The provisions of section 501 of S. 2061 limit the authority of the Postmaster General to appoint to a salary rate higher than the entrance rate. It is limited to the appointment of persons who have been employed in a civilian capacity in other branches of the Government and to positions in the district or regional offices or to professional or scientific positions.

BIWEEKLY PAY PERIOD

In place of the present semimonthly pay period, the pay period for postal employees under S. 2061 will be biweekly, providing 26 paydays per year and thereby granting an extra day's pay in the year for these employees. Another advantage in the biweekly pay period is that it permits standardization of the payday so that it will occur on the same day of each alternate week throughout the year.

RATIO OF SUBSTITUTES TO REGULARS

The authorization of 1 classified substitute for each 5 regular employees under this bill—rather than the 1-for-6 ratio now in effect—will permit the conversion to career tenure of several thousand employees who cannot presently be converted from indefinite or temporary tenure.

RURAL CARRIER SUBSTITUTES

The bill also provides a new method for computing the per diem rate of rural carrier substitutes, using a 312 days' basis instead of a 360 days' basis. The change in the pay period will permit the compensation of substitute rural carriers on the same basis as the regular carriers.

SUNDAY AND HOLIDAY WORK

Representatives of the clerks and carriers organizations objected to authorizing postmasters to pay time and a half for service performed on Sundays and holidays throughout the year as recommended by the Postmaster General. They recommended that it be restricted as at present to Sundays and holidays in the month of December with compensatory time allowed in the months other than December. The committee has included an appropriate provision covering this in the bill.

REPORT OF THE POSTMASTER GENERAL ON POSITION RECLASSIFICATION

The bill requires the Postmaster General to furnish Congress a comprehensive report of the reclassification actions taken under the bill. The bill spells out in detail the contents of this report. It is the intention of the committee to make a thorough and searching analysis of the classifications of positions, assignments thereof to salary levels, and the effectiveness of the appeals provisions provided by this legislation. The committee proposes to maintain a continuing interest in the problems of postal employees' pay and classifications.

INCREASE IN AUTHORIZED TRAVEL ALLOWANCE

The bill also increases the authorized travel allowance of postal transportation employees assigned to road duty from the present rate of $6 per day to $9 per day.

Mr. Speaker, I prefaced my remarks by pointing out that the bill which we have before us today was approved unanimously by the other body. It comes before this House with the unanimous support of our committee. I hope that the vote on this legislation which will follow this discussion will record the unanimous approval of this House.

Mr. REES of Kansas. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am joining with the chairman of my committee in supporting this legislation which will meet the objections voiced by the President in his veto message on S. 1.

It should be clear at this point that the objections of the President, combined with the support of one-third of the Members of either House, makes the adoption of this legislation the only practical solution to giving postal employees a salary increase.

This bill will meet the criteria set forth by the President for postal employees' salary legislation which he would approve. It eliminates the inequities contained in S. 1 affecting special-delivery messengers, rural carriers, and postmasters and supervisors.

Under the bill, special-delivery messengers will be placed in the same salary level with letter carriers, clerks, and motor-vehicle operators. This salary level will have a salary range slightly above that provided for these employees in the bill recommended by our committee, H. R. 4644. This salary range is in 7 steps beginning with an entrance rate of $3,660 and a top rate of $4,410. Employees of long service will receive, in addition, three longevity grades of $100 each, making a total pay of $4,710.

The bill provides a new salary schedule for rural carriers which will maintain them in the same relative position when compared with city-letter carriers as they are today. That is, a rural carriers carrying a 42-mile route will receive the same pay as the city-letter carrier.

The bill provides an immediate salary increase of 6 percent retroactive to March 1. Reclassification giving an added 2 percent average increase will be effective within 180 days after the date of enactment of this legislation.

The bill contains the requirement approved by the House that the Postmaster General submit a report to the Congress by January 15 of next year covering actions taken under the provisions of this bill.

Some postal employees have complained that the President vetoed the bill although on the average it represented only a slight difference in increased pay to individual employees over what the President would approve. Conversely, our bill provides the postal employees on the average nearly the same salary increase as the vetoed bill, and, at the same time, corrects the inequities contained in the bill vetoed by the President.

Postal employees generally are supporting this legislation and I feel sure that it can become law within a few days.

Briefly, the differences between the bill we are presenting here today under suspension of the rules and the bill we presented March 21 under suspension of the rules are not very great. The schedule for levels 1 and 2 are increased by $10 per year. The schedule for level 3 is increased by raising the within step rate $5. The increase in level 4 varies from $20 to $50 per pear.

The bill we presented on March 21 would have given the additionl increase to the employees going into the schedules immediately, that is on the pay period immediately following enactment. Under this bill the 2-percent reclassification adjustment will not be available until about 6 months from now. The rural carrier schedule has been increased to retain the traditional relationship, salarywise, between the city letter carrier and the rural carrier on a 42-mile route. Special delivery messengers have been placed at the same grade as city letter carriers. This is requested both by the city letter carriers and the special delivery messengers and was in the original department bill.

Costwise, this bill, the first year, will cost about $10 million less than the bill we had here on March 21. This is because there is approximately a $15 million saving in the postponement for 6 months of the additional pay for reclassification. After 3 years there will be an annual increased cost of $5 million, comparing this bill with the one we presented March 21.

Mr. Speaker, I believe it only fair to emphasize that the pay raise represented by this bill, that is a minimum of 6 percent, more than compensates for the increase in cost of living since the last salary increase. According to the Bureau of Labor Statistics this was 3.4 percent. While it is true that this increase is nearly double the rate of increase in cost of living, at the same time we must consider that there has been and I trust will continue to be an improvement in the overall of financial and economic situation of all of our people. We want to give our postal and Federal employees a fair break along with the other employees in private industry.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. MASON. Does the gentleman hear many objections to the so-called reclassification that is coupled with this bill?

Mr. REES of Kansas. About the only objection I have heard recently is what I have just stated, that they are not being reclassified soon enough. They object to the 6 months' delay and want it to go into effect right away so that they can begin to draw the additional pay. There is good ground for that criticism.

This is good legislation. There is not much difference between this bill and the one we offered on March 21. We have done well to secure the approval of the other body on this proposed legislation. As near as I can understand, it means quite completely the President's objectives in respect to this proposed legislation. I feel sure you will all want to support this bill. Here you are given a chance to support or oppose this measure.

If there are any questions anybody wants to ask, I shall be glad to try to answer them.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Connecticut, a former valued member of our committee.

Mr. SADLAK. I note that this bill also includes the biweekly pay period, so that the employees will now have 26 pay periods instead of 24. Is the gentleman by any chance recommending that this adjustment of pay periods from 24 to 26 be done first before putting the retroactivity feature into effect? In my experience, I know there is always a delay. There may be a flexibility of 10 days before that adjustment goes into effect and it may cause a hardship. If the chairman and the committee would recommend that that adjustment be made before putting in the retroactivity feature, I think it would be a great service to the people we are trying to help today.

Mr. REES of Kansas. I appreciate the gentleman's recommendation. I am sure the gentleman would be glad to make that recommendation to our committee, he being a former member of the committee. We are pleased with any suggestions he might make in regard to this legislation.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Carolina.

Mr. RIVERS. Can the gentleman tell the House whether or not this bill will be vetoed?

Mr. REES of Kansas. This bill will not be vetoed.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. May I compliment the gentleman and the members of the committee for solving this important legislation for the benefit of all postal employees.

Mr. REES of Kansas. I thank the gentleman from Pennsylvania.

Mr. SILER. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Kentucky.

Mr. SILER. Are the pay provisions of this bill retroactive to March 1?

Mr. REES of Kansas. That is right. The 6-percent pay increase is retroactive to March 1.

Mr. Speaker, let me say that if it develops there is anything that creates inequities in this legislation, or anything that appears to be wrong concerning it as it is put into effect, our committee will be first to consider corrections or improvements that should be made. As a matter of fact, all legislation is always subject to review by the Congress. This legislation is no exception to that policy.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Speaker, I urge the passage of this bill. In my opinion it represents the best compromise, and Congress has arrived at that compromise by its own free will.

The bill is not as narrow as we were assured would be necessary if we were to secure the approval of the President. It is not materially different from the bill which was vetoed. There are very few changes.

I feel that my position in urging adoption of the amendments to the original bill reported by this committee to the House, H. R. 4644, is in every way consistent with my position now. I was of the opinion at the time the veto message was delivered to the Congress that the major objections could have been overcome without a veto. The major objection I refer to is that affecting the salary schedule for rural carriers. That was one matter which should have been—and I am happy to say has been—taken care of.

The question of discrimination against special delivery messengers is a matter of opinion. In this new bill, we bring the special-delivery messenger for the first time to the level of the carrier. But I think the most important thing we have done, as a result of the prolonged feud that has existed over this legislation, is that we have finally brought the pay raise for a majority of the employees of the postal field service up to the average of the bill. And that is important. The original request of the Postmaster General provided that a great majority of the employees would not receive the average of the increase. Through the various amendments, the veto, the subsequent reporting of S. 2061, and its adoption by our committee we have provided a fairly equitable pay schedule. I would have liked it to be a little higher. I think the recent negotiations of the Ford Motor Co. with its employees wherein recognition was given to important factors of increased productivity at the annual rate of 2½ percent might well be studied by our committee in dealing with postal field service employees who have a remarkable record of improved performance over the years. The Postmaster General admitted over a period of about 5 years the employees have increased productivity approximately 19 percent. We are not compensating for that increased productivity in this legislation, but it is a good compromise. I believe that the report from the Postmaster General to the Congress, required by the bill, will afford us an opportunity for necessary examination of his actions under the new classification authority.

I hope we will go into it with extreme care and determine that no employee has been dealt with adversely as a result of the grant of authority to the department. I also hope that we follow up now with a pay increase of at least 8 percent for the 1 million classified employees of the Federal Government. For many years, their pay pattern has been just a little less than the postal workers. I have given careful study to this, and I can find no basis to justify it. I hope that members of the House Post Office Civil Service Committee and Members of the House will join me and many of my colleagues on the committee in insisting that at least equality be voted in any salary legislation dealing with the classified employees. Their increase is long overdue, and the 6 percent which has been proposed, will not be adequate. I hope we can carry through in the committee hearings and in the discussions on this floor without having thrust upon us at every possible opportunity the threat of a veto. It is necessary, if we are to do a job, that we should do it on the basis of facts and not on the basis of fears and threats. Only by doing it on that basis can we give the sort of justice that the classified employees are entitled to.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. MOSS. I am very happy to yield to the gentleman.

Mr. MASON. Before the gentleman's time in the House, we used to have a Member who always asked, "Where are we going to get the money?" I think perhaps that question is pertinent to these increases we are now granting.

Mr. MOSS. The gentleman's question certainly is pertinent and the answer should be obvious. You are going to get it from your general revenues. If they are insufficient for us to pay our people a salary sufficient to maintain a decent standard of living, we should increase the general revenues. If we can afford to grant this administration's request for $3½ billion for foreign aid, then we can afford a fuller measure of financial justice to our Federal employees.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Speaker, I am sure this is the best possible legislation that can be enacted at this time. I urge its adoption.

For much too long has Congress wrangled over a pay increase for postal workers. Let us hope that in the future this issue will be decided on the basis of reason, need, and justice for in legislation of this kind we are dealing directly with the fortunes of many thousands of humans and not merely in figures.

I hope and trust the other body will give quick assent to the minor amendments that have been added by the House committee, and that the President will speedily sign this measure into law.

Mr. REES of Kansas. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, January a year ago, 1954, there were introduced in the House numerous bills to correct the salaries of employees of the postal field service. Today, a year and a half later, we have finally come to the end of a very long and unnecessarily bitter controversy to determine what is the proper compensation for these employees of the Federal Government. We have marched up the hill and we have marched down the hill. We have been through all kinds of wildernesses and morasses. Now, when we say we have arrived at a compromise today, I rather suspect it is a compromise resulting from exhaustion rather than a compromise resulting from a meeting of the minds. I personally hope that this House and this Congress shall never again have to determine what is the proper compensation for its employees, as a result of a trial by strength. In all the 10 years I have served on this committee I have yet to have ever attended a meeting of all of the persons concerned, or representatives of all the people concerned, to find out what are the budgetary problems, what have been the increased costs of living, what are the legitimate needs in various areas of the country, and all of the problems that go together to constitute a proper negotiation. I certainly hope that when this bill is finally passed and becomes the law of the land that it shall mark the end of trying to determine what is right by who is the strongest.

This bill, while it is possible it is the best that can be written right now, certainly in its classification procedures, sows the seed for many, many years of amendments, of new bills being introduced, of one group feeling that it is not treated as well as another; of another group claiming there are inequities and inequalities. Already some 11 requests for amendments to this bill have reached my desk. Many of them may have merit, but I simply rose to say that I believe the day has come when the departments, responsible members of the committee, responsible representatives of the employees should hereafter try to meet and determine what is right and proper, rather than have a public bloodletting to determine what is fair and adequate compensation for the employees in the postal field service.

For the moment I can only be happy that all of these employees will receive some of the salary adjustment that should have been made many controversies ago.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. CRETELLA].

Mr. CRETELLA. Mr. Speaker, I arise in support of the legislation before us embodied in S. 2061, and urge all of my colleagues to do likewise. I trust that it will be unanimously adopted. We, of the Post Office and Civil Service Committee, have listened to a great deal of testimony on the need and urgency of a postal salary increase and we are all familiar with, and cognizant of, the clash which this legislation has provoked attended by bitterness and vilification which has accompanied it.

I trust that with the passage of this bill all of those feelings will have been left behind us. I believe it to be good legislation and while some changes may ultimately be required, I feel that the program of reclassification is long overdue. I was amazed to hear the testimony introduced on the present job structure with all of its uncertainty and abuse. I believe that the vast majority of postal employees are likewise favorable to the reclassification program.

The passage of this bill makes me doubly happy. First because it gives to these devoted public servants a much deserved raise and secondly, because there is incorporated into this bill, my own proposal which provided for biweekly pay periods for postal employees. When I first came to Congress this proposal was the first I undertook to introduce and spent many hours in the preparation of material to present a case in support of my legislation to the subcommittee to whom my bill H. R. 4073, 83d Congress, had been referred. That subcommittee took a sympathetic and favorable position on it in spite of objections from the General Accounting Office, and I am personally pleased and now know that it has been incorporated in the legislation which I hope will be enacted into law within the next few days.

I know that it will make many postal employees happy as it will the many wives who wrote me on the subject. I do trust that now that this legislation is behind us that the increases will be put into effect immediately and the benefits which will inure to some of the employees under the reclassification program will tend to again reunite the forces which have been clashing for many long months, and the postal workers may return to their duties well knowing that the sympathies of every Member of Congress were with them in this constant uphill fight. I pay my respects to these patient Federal employees.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I rise in support of S. 2061 as a good compromise on a bad situation that has developed during this session over the subject of postal pay raises. The bill provides an approximate 8.1 percent increase as an average, and apparently meets the objections of the President in his veto message of Thursday, May 19, 1955, relating to S. 1.

I have consistently maintained the position that I was desirous of voting for a substantial postal pay increase bill that I knew could become law. S. 2061 is the first such bill to be presented to the House for a vote, in my opinion. Of course, this opinion is wholly substantiated by the failure of S. 1 to become law.

I call attention to the House that I introduced H. R. 6460, dealing with the same subject matter as the bill before the House, which was a postal pay raise bill with an average of approximately 8 percent. The purpose of introducing this bill was to clearly indicate to the Post Office and Civil Service Committee the desire of myself, along with many other Members of the House, that immediate action be taken by the Post Office and Civil Service Committee on this matter. My bill is one of the first, if not the first, to be introduced subsequent to the veto message and the sustaining of it by the Senate.

The bill which we have before us today is substantially the same as that introduced by myself and I am happy to join in voting for S. 2061. Said bill is similar to my bill H. R. 6460 in the following respects:

First. It provides a reasonable increase in salary for postal employees and at the same time corrects serious inequities in the salary schedule by adopting an improved method of classifying postal employees for salary purposes.

Second. It provides for retroactive effective date of March 1, 1955.

Third. It provides for annual reporting by the Postmaster General to Congress of reclassification actions taken under the bill.

Fourth. It increases authorized travel allowance of postal transportation employees assigned to road duty to $9 per day from the present $6 per day.

Fifth. It provides for biweekly pay periods making 26 pay days per year, thereby adding one to the present procedure.

Sixth. The bill prohibits downgrading of individuals and guarantees employees their present salary plus 6 percent minimum to be added during the process of conversion to the salary schedules contained in the bill.

Seventh. It provides for substantially higher annual salaries for level 4 employees than did H. R. 2987, these increases going to motor vehicle operators, city letter and special-delivery carriers, carriers, distribution clerks, special-delivery messengers, and window clerks.

Eighth. The bill also provides longevity for substitutes on the same basis as regular employees.

These are some of the aspects in which my bill, H. R. 6460 is similar to S. 2061 and it is for these, as well as other reasons, that I am happy to support the bill before the House.

I am confident this bill can and will become law, and that the postal employees will receive the additional compensation to which they have been justly entitled, retroactive to the date on which a bill, had it not been fraught with politics, could—and should—have become law.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Speaker, I want to state emphatically that I believe this is an excellent bill, and when it is placed into effect the postal employees will be well satisfied with it.

I fully realize that when we are dealing with 500,000 employees, scattered all over this United States, some in the larger cities and some in the smaller places, that it does have some problems with those living in high-wage districts, but it is difficult to give uniform legislation all over the country for 500,000 employees.

I do not know of a Member of this House who has not been for a salary increase for the postal employees.

There has been some difference of opinion as to amounts, as to classification, etc., but we have all been of one mind that they are entitled to and should get an increase. We are going to resolve those differences in this bill.

I also want to say that as far as I am concerned I believe the record will show that I have voted for every piece of legislation that had a chance of becoming law for the raising of postal salaries. That included, however, suspension of the rules; and I might say that I received many letters saying that it was wrong to vote to suspend the rules, because that amounted to a gag rule, and so forth. I am here today, however, to vote to suspend the rules again, because I believe it is going to be in the best interests of the postal employees, and I believe that is the criteria by which we should determine legislation.

Just one other thing, we have increased the total amount of money to be spent in the Post Office Department some $160 million, and once again I hope we as a deliberative body will have the fortitude to take the necessary action to get the money to pay the bill. I think we ought to be willing to increase postal rates on first-, second-, and third-class mail. I might say—and if I am not correct I wish to be corrected—that fourth-class postage is going to be increased automatically under this bill, so I would do something about first, second, and third class. I am not worried about increasing the 3-cent rate to 4 cents, especially when you stop to think that 70 percent of your first-class mail is paid for by business houses and corporations. Why should the general taxpayer pay some $500 million in subsidies to the users of first-, second-, and third-class mail when only 30 percent of the first-class mail, for instance, is paid for by the general public. I think it is inconceivable that we should do that, and I hope we as a Congress will take the steps necessary to raise the revenue to pay this bill. I might say also that I believe this would be in the best interest of the employees, because we are going to be faced time and time again—and properly so—with increases of salary. It is much easier to handle these salary questions if you have the money to pay the bill. I hope you will take this into consideration and do something about it.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, I favor this compromise bill. I favor it because there is very little difference between this bill which I understand the President will sign, and the one that was vetoed.

I have some doubt as to the reclassification feature, but the Moss amendment which calls upon the Postmaster General to report on reclassification is still in the bill. That is important as many of us will be watching to see that reclassification is not used as an instrument to unjustly punish employees because of their organizational activities or political views.

Because these bills are so much alike it becomes more evident that the harsh criticism of the President's veto was justified.

Mr. Speaker, the shadow boxing over the postal-pay issue is about to end. It would have been amusing, if the plight of the postal workers had not been so critical, or the pay raise delayed for so long.

However, this issue closes on a happy note. Postal workers will get a raise this year.

Those of us who have fought the long legislative battle of the postal-pay percentages—7.6, 8.3, 8.8, 8.1—have rested our case. The record is crystal clear. There can be no doubt among us here, or among the hundreds of thousands of postal workers as to what has transpired on the postal-pay issue.

Let us hope that the same coercive tactics of the administration will not be repeated when we consider the pay bill for the classified employees. Other Federal employees are entitled to equal treatment with postal employees, and I trust that there will be no invasion of congressional jurisdiction by the executive department in attempting to dictate terms of acceptability.

There should be no quibbling over an 8-percent pay boost for other Federal employees if this bill is passed and signed.

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, naturally, I shall vote for the bill S. 2061, a bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, because I have no alternative. I much prefer the original bill that passed the House and was vetoed by the President. While that bill represented a compromise, it was in many ways a better piece of legislation than that now before us. It failed like the instant legislation to adequately meet the needs of the employees of the postal service.

I shall vote for this bill because I am poignantly conscious of the plight in which our faithful postal employees find themselves as a result of the administration's lack of, shall I say, understanding of them.

It is an old story to stand here and tell you that the pay of the postal employees has lagged far behind the cost of living. You have heard it said and reiterated but unfortunately it is true. And unfortunately, the bill under consideration does not realistically attack this problem. It still leaves a sizable gap between the pay and the cost of living index of postal employees. This will only aggravate the problem and sooner or later we will have it back here again.

I cannot understand why the President wants to temporize in the field of pay for loyal civil employees of our Government. His long experience in the military establishment gives him an awareness of the problems of the armed services. He was quick to recommend and vigorous in urging the passage of legislation to care for those in the uniformed ranks of the Army, Navy, and Air Force. He was right in this and I enthusiastically supported the uniformed services pay bill that was given a sugar-coated name, because, like you, I knew those people needed a raise.

I am sorry that in his forty-odd years' service in Government the President had not served some of it in a civil capacity. He then would have known the plight of the civil employees, and I am sure that he would have been as sympathetic to them as he was to those in the armed services.

Certain of the classification features written into this bill will cause confusion and inequities. It opens a Pandora's box, the flying contents of which will haunt the Halls of Congress for years to come. You know as well as I that we have asked for a lot of unwelcome work.

I am sorry that the President has been so adamant in this field of postal pay legislation, and but for the fact that the postal people need this adjustment in salary so badly I would be for rejecting the bill. I do not like to compromise a principle, and that is what we are doing here. But I am conscious of the pressing need to give postal employees a long-needed and unnecessarily delayed raise.

I hope that this bill will be followed by a new bill that will give a raise of the same modest proportion to the classified workers in Federal civil service and groups in that category, including legislative and judicial employees of the Government. They, too, have been the victims of delay, and any legislation adjusting their salary upward must be retroactive.

When the 84th Congress convenes in its 2d session, it should immediately reopen the case for an adjustment in the pay for honest and faithful civil workers in the field of Government and close the gap between their salary and the cost of living. This is the greatest morale builder I can think of and is a good investment for this reason: Morally we owe it to loyal and faithful workers.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I rise in support of this legislation because I feel it is the best we can do under the circumstances. There are two things about this matter, however, which I want to call to the attention of my colleagues. One is, frankly a personal opinion, that the present bill is not markedly different from what the House previously considered; and it is my personal opinion that the veto was absolutely unnecessary. I have been clubbed into submission; I accept it as part of the democratic process.

One other thing, however, is that the great bulk of the employees are not completely at ease with the prospect of reclassification; neither am I. I think it is one of the things that must be watched, and I am very happy that the report procedure has been written into this piece of legislation. I for one, and I know many of my colleagues also, will

want to watch very closely the application of the theory of reclassification under this legislation to see if it is done pursuant to the spirit and intent of the law and only that way.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I rise to support Senate bill S. 2061, the bill now before us, and to urge its passage without amendment.

This is the third time within a year that Congress has endeavored to provide a cost-of-living pay increase for postal workers.

The first two bills passed by Congress to grant this increase were vetoed. The facts regarding those two bills are so well known that a review of them now would be pointless.

We had no opportunity to override the first veto, because it came after the 83d Congress adjourned. We in the House of Representatives had no opportunity to vote to override the second veto, inasmuch as the vote in the other body to override fell short of the necessary two-thirds majority, which two-thirds majority vote is required in both Houses in order to override a Presidential veto.

I voted for Senate bill 1, the postal pay bill which was vetoed on last May 19, when that bill was reported out for passage. I was on the conference committee which worked out the conference report which was approved by both Houses, and I voted for the perfected bill both in conference and on the floor.

It was a matter of regret to me that the President did not see fit to approve the bill which Congress passed. It is my hope that the bill before us today will become law, and that this, our third effort to provide a pay increase for postal workers, will be successful.

This bill will provide an increase of at least 6 percent for every employee. Under the bill, the increase is retroactive to March 1.

The salary schedule is set forth in detail on page 83 of the bill. We have amended the bill in two very minor particulars. I believe that these two amendments will be accepted promptly by the other body, and that no conference committee on this bill will be necesary.

While I have no means of knowing what action the President will take with reference to this bill, we are informed that he will approve it by the same sources which informed us he would veto Senate bill 1 when we had that bill under consideration a month ago. I therefore feel hopeful and optimistic that if we pass this bill today, it will be approved and go into effect within a very few days.

The bill was reported out unanimously by our committee, and I hope it will be passed unanimously in the House today.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. There are many Members who are opposed to the abdication by the Congress of its responsibilities in connection with the reclassification features of this matter. Of course, we reluctantly recognize the situation. If this bill becomes law, which every evidence indicates it will, may I ask the gentleman from Georgia if as a member of the committee he will personally see that the committee will watch the report coming from the Postmaster General to see that he acts in accordance with the intent of Congress and the tenure of the law?

Mr. DAVIS of Georgia. I appreciate very much having the gentleman's contribution and would like to say with reference to his observation that it is my belief our committee will certainly watch this report very closely and will watch the future proceedings had under the reclassification feature. As the gentleman no doubt knows a great many of the objections to certain provisions of the reclassification measure have been ironed out. The bill is not now nearly as objectionable as it was when being considered a year ago, in that respect. I think the gentleman may be assured that the committee is going to keep close watch on this matter.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, I am supporting this legislation because I think it is a much more just piece of legislation for all of the postal employees than the one the President vetoed. I would go further and offer the hope that this House measure up to its fiscal responsibility and increase the postal rates in order to get the money that we are spending here today. I think the President is to be congratulated for having the courage to see this thing through so that we could enact legislation that provides for the necessary reclassification features. I think this is good legislation, and I am glad to express my approval of it.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, as a member of the Committee on Post Office and Civil Service I endorse this bill and urge its adoption.

There have been times during this controversy when I have felt that the Federal Government deserved the taunt, "physician, heal thyself." With the Government role of "Dr. Fixit" which has been essayed over the past 20 years in the field of industrial relations in private industry, it has been somewhat disconcerting that nearly 2 years have been required to arrive at a pay increase for half a million postal employees—an increase which everyone has agreed was in order and fully merited.

It is my belief that the problem would have been resolved somewhat earlier this session had it not been for the efforts of some who insisted on seeing if they could not go just a little further than the majority of the Committee on Post Office and Civil Service had voted, and who boasted that they were a little more daring than their colleagues.

In any event, we appear now to have reached a feasible and acceptable solution of the matter.

Permit me to say one word to those who have expressed a lingering concern over the reclassification features of the bill. Certainly no Republican member of the committee will yield to any colleague on the other side of the aisle in the matter of maintaining a continuing interest in the operation of these provisions of the bill. We believe adequate safeguards have been written into the bill. We welcome the provision for submission of a report by the Postmaster General to Congress on its operation. We recognize that we are not legislating for eternity and that we have not achieved the ultimate in perfection. We recognize also that there doubtless will develop flaws, both in the legislation and in the administration of the reclassification provisions. And, finally, we recognize that the Congress is going to be here next year, and the year after, providing abundant recourse and opportunity for corrective measures as experience indicates they are needed.

Despite any efforts made here today to claim otherwise, neither party has a monopoly on a concern for just and equitable operation of the law in the interests of the public, the postal service, and the postal employees.

Mr. REES of Kansas. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Speaker, at long last this Congress is about to place its stamp of approval upon legislation which will grant a raise in pay to the postal employees of the Nation. I am certain that they, individually and as a group, are deserving of the action which this body takes this afternoon.

I have watched, with considerable interest, the activity of the Congress as it met with this problem, and I felt confident that it would not make the error of a previous Congress in enacting a bill which would not receive universal approval. Having acted, and having received a reversal of its original venture, it now moves quickly to enact legislation of unquestioned merit.

Here is legislation which combines three much-needed features for the postal service. First, it reestablishes the traditional, historic, and functional salary relationships within the Post Office Department. Secondly, the legislation provides for classification of postal employees. This feature is indeed a change and, as all change is a departure from the traditional, it has been regarded critically. But classification has met the test in the other departments of Government; it is in line with modern Government employment procedure, and will work for the benefit of both the postal service and the postal worker. There are safeguards in the legislation which provide that no employee will be downgraded as a result of the reclassification, and a substantial number will find that the classification feature will result in a sizable increase. In fact, the classification feature will result in an average pay increase of about 2 percent.

The most publicized feature of the legislation is that of the pay increase which will be granted to all employees, an increase of about 6 percent which will not

only be effective immediately but will be retroactive to March 1, 1955. In spite of the fact that it has taken Congress several months to enact pay legislation, the pay raise is effective as of the first of March of this year. I am sure that there are regrets that the amount of the increase could not have been greater, but there is one comforting fact—that a goal has been attained and an increase has been obtained which will benefit the people who need it and need it now. I am sure that as our economy continues to grow, as we prosper, and certainly as the standard of living increases, there will be additional legislation providing for further salary increases. It is the duty of Congress and the Post Office Department to see to it that its employees continue to receive benefits and advantages similar to those enjoyed by all employees in this country.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BARRETT. Mr. Speaker, I am very pleased the House is considering the new postal-pay bill, which passed the Senate last Wednesday.

On February 15, 1955, it was my privilege to appear before the Committee on Post Office and Civil Service in support of legislation granting a salary increase to the postal employees.

Today it is not only a privilege, but a pleasure for me to address the House and urge that S. 2061 be passed unanimously without any further delay.

During the past several months I have received hundreds of letters and telegrams from constituents urging my support of an adequate pay bill. Most of these communications were received from postal employees in the Philadelphia area who requested my support of such a measure because they are finding it exceedingly difficult to maintain their homes and families on their present earnings. I am sure that a majority of the Members of this body have found that many of our postal workers are and have been holding down two jobs in order to provide their families with the necessities of life.

I am sure everyone here today is in agreement with me that we have just cause to be proud of these employees. The daily service they render to our American way of life is taken for granted by the average citizen, but do we or the customer at the post-office window realize the study and training involved to keep this mammoth operation running smoothly. No; we do not—and I believe it is high time we do something to show these loyal and efficient employees that their efforts are appreciated.

I am sure I need not go into great detail about the high cost of living and how it has affected these workers, who somehow or other have managed to survive these yearly increases in living costs even though they have received no pay raise since 1951.

There is no necessity for a lengthy debate when the issue is so clear cut. Let us act now and pass S. 2061 which will give some measure of relief to these employees and their families and prove to them that we, as the leaders of this Nation, are very much interested in their welfare and appreciate their efficient and faithful service.

Mrs. ST. GEORGE. Mr. Speaker, the House is now about to pass S. 2061 with two very minor amendments and there is no question that the President will sign the bill so that it will become law and give the 500,000 postal employees the pay raise they need, deserve, and in my opinion, should have had last year.

The bill is practically the same as the original bill offered by our distinguished chairman, the gentleman from Tennessee [Mr. MURRAY] in our Committee on Post Office and Civil Service in the House.

This bill, according to both the reports furnished by the House and Senate will provide—and I quote—"all postal employees will receive a minimum increase of 6 percent." Why the newspapers of the country have seen fit, in view of this statement, to label the bill an 8.1 percent pay raise I cannot fathom, and I think it gives a rather incorrect impression to the people of the country and to the employees in the classified and postal services.

Of course, it is perfectly true that as a result of reclassification, carried in the bill, and the proper adjustment of many inequities that have grown up over the years, the bill probably does average up to better than 8 percent. But that was equally true of the original House bill that was killed by a small band of willful people who did not believe the President meant what he said and was quite able also to say what he meant.

It is most fortunate that the pay raise is made retroactive to March 1st so that the employees will not be penalized by the obstinacy and political maneuvering of their so-called friends. It is a case of all is well that ends well, but in my humble opinion it again points up the necessity of having a less cumbersome way of running the Post Office. This job is one for experts and students of business and management. It is surely no place for political maneuvering and vote-getting.

Mr. EDMONDSON. Mr. Speaker, I am voting for this bill today with some reluctance, and only because it has become apparent that no better legislation is obtainable in this session.

While improved by the Moss amendment, the reclassification provisions would still appear to open the door wide for undesirable politics and payroll juggling in our postal service. This is a matter which the Congress will have to watch very closely to prevent the destruction of departmental morale in the future.

It is also a matter of regret that Postmaster General Summerfield and President Eisenhower could not go along with the more reasonable salary increases originally voted by the House and the Senate. In view of all the facts, the raises originally voted were both moderate and well deserved by our postal employees, and I am sorry that the administration could not accept the congressional decision on this matter.

Mrs. GRIFFITHS. Mr. Speaker, at long last the half million postal employees of this Nation are about to receive an increase in pay—not the increase they deserve or the amount economic conditions warrant, but the amount the President has decided is enough for them.

I am supporting this new pay legislation not because it represents justice to our postal workers, but because this is all the President and his Postmaster General will approve.

This pay increase does not represent legislative judgment. The judgment of this body, reached after lengthy committee hearings and debate, was rejected by the President.

If this be an Administration victory, the people should know all sides of the question.

Is it a victory to deny a postal worker and his family an extra quart of milk or loaf of bread?

Is it a victory to perpetuate a situation that sends a postal worker's wife from her home and children to seek employment to help meet the family's obligations?

Is it a victory to continue a situation whereby skilled and trained persons leave the postal service for other jobs because of inadequate pay?

If these be the elements of victory, the benefits escape the postal worker and the public.

Though treated shabbily by this administration, I am confident our postal employees will continue to render faithful and unstinted service.

Mr. GUBSER. Mr. Speaker, it is with a sense of real achievement that I regard the bill now before us. For almost 18 months, the issue of postal pay has been with me as an individual Member, as representative of my district, and as a member of the Committee on Post Office and Civil Service. I am happy that this issue is now being resolved. At the same time, I cannot but express regrets, knowing as does everyone that postal raises could have been granted many months ago had a bill such as this one been passed and signed into law. Much bitterness, much wrangling, many accustations and counter-accusations could have been avoided, and half a million members of the postal service could have received their well-deserved pay increases without first having to suffer the disappointments which are the result of hopes falsely raised.

The bill now before us is sound. It provides for equitable pay while meeting the reclassification conditions of the President. It is the type of legislation which I have advocated from the very start of this long controversy, and which could have become law long ago. The bill now before us is identical with my own bill, H. R. 6528. I urge adoption of this measure. The additional dollars in the pay envelopes of postal workers will mean immeasurably more than did all the angry debates of months gone by.

One of the major lessons I have learned from this pay raise controversy is the strong conviction that it is unfair

to set pay scales for postal and classified workers uniformly throughout the length and breadth of our land. I believe that consideration should be given to fixing pay scales in direct ratio to the cost of living prevalent in given areas, and that some thought should be given to creating an independent body to set these pay scales. As soon as current legislation has been signed into law, I propose to introduce legislation which would take the detailed task of setting these wages out of the hands of the Congress, and entrusting it instead to an independent body, possibly constituted along the lines of the wage board used in my own State of California. Such a body, acting under the guidance and according to the policies of the Congress, would have liberty to perform a professional task of relating wages to cost of living in given areas, and would be able to function without the extraneous influences and outside the orbit of politics which complicate an issue that should be decided solely on the basis of sound personnel management and just compensation for services rendered.

Mr. SPRINGER. Mr. Speaker, I am happy to support S. 2061 which will increase the salaries of officers and employees in the field service of the Post Office Department.

It is the purpose of this bill to increase the compensation of postal employees and, at the same time, bring about a correction of serious inequities in the salary schedule by the adoption of an improved method of classifying postal employees for salary purposes.

Under this legislation, all postal employees will receive a minimum increase of 6 percent on their basic salaries, effective March 1, 1955. Within 180 days thereafter, these employees will be fitted into a salary schedule providing for a pay scale establishing a more realistic relationship between the various positions. The adjustment of the new salary schedule will result in a payroll increase of approximately 2 percent. This means an overall average increase in basic salary to postal employees of approximately 8 percent.

Last year, the Congress passed a salary increase bill for postal employees. That bill was vetoed by the President. There was not sufficient time at the end of the session for the Congress to have an opportunity to vote on overriding the President's veto. For that reason, it was felt fair in the present bill to insert a provision for a retroactive date to March 1, 1955. I believe that everyone will admit this is a fair provision—especially in view of the fact that postal employees have foregone a deserved raise in salary during the intervening year without any fault on their part.

This bill contains a prohibition against downgrading of individuals and also assures the employees that they will receive their present salary, plus the added 6 percent during the conversion to the salary schedules contained in the bill.

It appears to me that this bill will afford far greater opportunity for promotion. The establishment of 20 salary levels in this bill will permit the classification of many positions at salary levels above the rates established in Public Law 134.

Thus, for example, an employee serving as a substitute for Superintendent, Mails, who is on extended sick leave may not be compensated for the added responsibility because the title and salary structure of Public Law 134 do not permit it. This bill will permit proper salary adjustments in such cases.

The inclusion of regional and district office positions in the same salary schedule as are other field service postal positions will make possible the establishment of orderly promotion lines from other positions in the postal field service to positions in the regional and district offices.

One provision of the bill also provides a new method for computing the per diem rate for rural carrier substitutes. This method uses a 312-day basis instead of a 360-day basis. This change will make possible the compensation of substitute rural carriers on the same basis as regular carriers.

This bill will require the Postmaster General to furnish Congress a comprehensive report of the reclassification action taken under this bill. It will be the duty of the committee to make a thorough and searching analysis of the classification of positions, assignments thereof to salary schedules, and the effectiveness of the appeals provisions provided by this legislation. The committee has already proposed to maintain a continuing interest in the problems of postal employees' pay and classifications.

This bill will not satisfy all the Members of the House. Neither will all provisions of the bill please either the Postmaster General or all of the postal employees. I do believe that it is the best bill that could be obtained under the circumstances: and, further, that it is a bill which I can conscientiously support after taking into consideration the employees whom it is supposed to benefit and the general public which the employees serve.

This is the second time since I have entered Congress that postal salaries have been before the House. It appears to me that postal employees are always considerably behind the rise in the cost of living in the intervening years between raises. I do hope that the Committee on Post Office and Civil Service will keep under continuous study the cost of living and how it affects postal and civil service employees. If this is done, we may give them their increases promptly and not long after the cost of living has passed them by.

These people have no right to strike, nor, for that matter, to collectively bargain for increased pay or working conditions. They sign such a pledge when they become employed by the Department. The only appeal these employees have is whatever consideration this Congress sees fit to give them. I do believe that places a considerable responsibility upon us to see that they are treated honorably under these conditions.

Mr. OLIVER P. BOLTON. Mr. Speaker, while recuperating from a recent illness at home, I noted that the House Post Office and Civil Service Committee, on which it was my honor to serve last year, approved a pay increase bill for postal employees which would have created new discriminations in postal classifications and job definitions and would also have imposed great administrative problems. I was very disappointed at this treatment of the Nation's postal workers, many of whom I know—from personal knowledge—badly needed the increase.

This bill was vetoed by President Eisenhower, as was a similar measure last year, because those who were trying to play politics with the needs of the postal workers and the postal system refused to believe the President would face up to the challenge of such politics. The size of the increase in this bill was not a major factor in the President's veto but rather the inequities and the discriminations which were imposed. He had no other choice than to ask Congress to write a new bill that was fair to all our postal employees.

I am very happy that Congress has finally approved a bill that the President will now be able to sign and that the Nation's postal employees will get the pay increase they so long have deserved.

The SPEAKER. The question is on suspending the rules and passing the bill as amended.

Mr. MURRAY of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 410, nays 1, not voting 23, as follows:

[Roll No. 79]

YEAS—410

Abbitt	Boykin	Dawson, Utah
Abernethy	Boyle	Deane
Adair	Bray	Delaney
Addonizio	Brooks, Tex.	Dempsey
Albert	Brown, Ga.	Denton
Alexander	Brown, Ohio	Derounian
Alger	Brownson	Devereux
Allen, Calif.	Broyhill	Dies
Allen, Ill.	Buchanan	Diggs
Andersen, H. Carl	Buckley	Dingell
	Budge	Dixon
Andresen, August H.	Burdick	Dodd
	Burleson	Dollinger
Andrews	Burnside	Dolliver
Anfuso	Bush	Dondero
Arends	Byrd	Donohue
Ashley	Byrne, Pa.	Donovan
Ashmore	Byrnes, Wis.	Dorn, N. Y.
Aspinall	Cannon	Dorn, S. C.
Auchincloss	Carlyle	Dowdy
Avery	Carnahan	Doyle
Ayres	Carrigg	Durham
Bailey	Cederberg	Edmondson
Baker	Celler	Elliott
Baldwin	Chase	Ellsworth
Barden	Chelf	Engle
Barrett	Chenoweth	Evins
Bass, N. H.	Chiperfield	Fallon
Bass, Tenn.	Christopher	Fascell
Bates	Chudoff	Feighan
Baumhart	Church	Fenton
Beamer	Clark	Fernandez
Becker	Clevenger	Fine
Belcher	Colmer	Fino
Bell	Cooley	Fisher
Bennett, Fla.	Coon	Fjare
Bennett, Mich.	Cooper	Flood
Bentley	Corbett	Flynt
Berry	Coudert	Fogarty
Betts	Cramer	Forand
Blatnik	Cretella	Ford
Blitch	Crumpacker	Forrester
Boggs	Cunningham	Fountain
Boland	Curtis, Mass.	Frazier
Bolling	Curtis, Mo.	Frelinghuysen
Bolton, Frances P.	Dague	Friedel
	Davidson	Fulton
Bonner	Davis, Ga.	Garmatz
Bosch	Davis, Tenn.	Gary
Bow	Davis, Wis.	Gathings
Bowler	Dawson, Ill.	Gavin

Gentry	Lovre	Robsion, Ky.
George	McCarthy	Rodino
Gordon	McConnell	Rogers, Colo.
Granahan	McCormack	Rogers, Fla.
Grant	McCulloch	Rogers, Mass.
Gray	McDonough	Rogers, Tex.
Green, Oreg.	McDowell	Rooney
Green, Pa.	McGregor	Roosevelt
Griffiths	McIntire	Rutherford
Gross	McMillan	Sadlak
Gubser	McVey	Saylor
Gwinn	Macdonald	Schenck
Hagen	Machrowicz	Scherer
Hale	Mack, Ill.	Scott
Haley	Mack, Wash.	Scrivner
Halleck	Madden	Scudder
Hand	Magnuson	Seely-Brown
Harden	Mahon	Selden
Hardy	Mailliard	Sheehan
Harris	Marshall	Sheppard
Harrison, Nebr.	Martin	Shuford
Harrison, Va.	Mason	Sieminski
Harvey	Matthews	Siler
Hays, Ark.	Meader	Simpson, Ill.
Hays, Ohio	Merrow	Simpson, Pa.
Hayworth	Metcalf	Sisk
Hébert	Miller, Calif.	Smith, Kans.
Henderson	Miller, Md.	Smith, Miss.
Herlong	Miller, Nebr.	Smith, Va.
Hess	Miller, N. Y.	Smith, Wis.
Hiestand	Mills	Spence
Hill	Minshall	Springer
Hinshaw	Mollohan	Staggers
Hoeven	Morano	Steed
Hoffman, Ill.	Morgan	Sullivan
Hoffman, Mich.	Moss	Taber
Holifield	Moulder	Talle
Holmes	Multer	Taylor
Holt	Murray, Ill.	Teague, Calif.
Holtzman	Murray, Tenn.	Teague, Tex.
Hope	Natcher	Thomas
Horan	Nelson	Thompson, La.
Hosmer	Nicholson	Thompson, N. J
Huddleston	Norblad	Thompson, Tex.
Hyde	Norrell	Thomson, Wyo.
Ikard	O'Brien, Ill.	Thornberry
Jackson	O'Brien, N. Y.	Tollefson
Jarman	O'Hara, Ill.	Trimble
Jenkins	O'Hara, Minn.	Tuck
Jennings	O'Konski	Tumulty
Jensen	O'Neill	Udall
Johansen	Osmers	Utt
Johnson, Calif.	Ostertag	Vanik
Johnson, Wis.	Passman	Van Pelt
Jonas	Patman	Van Zandt
Jones, Ala.	Patterson	Velde
Jones, Mo.	Pelly	Vinson
Jones, N. C.	Perkins	Vorys
Judd	Pfost	Vursell
Karsten	Philbin	Wainwright
Kean	Phillips	Walter
Kearney	Pilcher	Watts
Kearns	Pillion	Weaver
Keating	Poage	Westland
Kee	Poff	Wharton
Kelley, Pa.	Polk	Whitten
Kelly, N. Y.	Powell	Wickersham
Keogh	Preston	Widnall
Kilburn	Price	Wier
Kilday	Priest	Wigglesworth
Kilgore	Prouty	Williams, Miss.
King, Calif.	Quigley	Williams, N. J.
Kirwan	Rabaut	Williams, N. Y.
Klein	Radwan	Willis
Kluczynski	Rains	Wilson, Calif.
Knox	Ray	Wilson, Ind.
Knutson	Reed, Ill.	Winstead
Laird	Rees, Kans.	Withrow
Landrum	Reuss	Wolcott
Lane	Rhodes, Ariz.	Wolverton
Lanham	Rhodes, Pa.	Wright
Lankford	Richards	Yates
Latham	Riehlman	Young
LeCompte	Riley	Younger
Lesinski	Rivers	Zablocki
Lipscomb	Roberts	Zelenko
Long	Robeson, Va.	

NAYS—1

Cole

NOT VOTING—23

Bolton, Oliver P.	Hillings	St. George
Brooks, La.	Hull	Schwengel
Canfield	James	Shelley
Chatham	King, Pa.	Short
Eberharter	Krueger	Sikes
Gamble	Morrison	Thompson, Mich.
Gregory	Mumma	
Heselton	Reece, Tenn.	
	Reed, N. Y.	

So, two-thirds having voted in favor thereof, the bill was passed.

The Clerk announced the following pairs:

Mr. Chatham with Mr. James.
Mr. Hull with Mr. Gamble.
Mr. Gregory with Mrs. St. George.
Mr. Sikes with Mr. Reece of Tennessee.
Mr. Shelley with Mr. King of Pennsylvania.
Mr. Morrison with Mr. Krueger.
Mr. Eberharter with Mr. Short.
Mr. Brooks of Louisiana with Mr. Hillings.

The result of the vote was announced as above recorded.

Mr. SCHWENGEL. Mr. Speaker, due to a death in my family, I cannot be present today to register my vote on the issue of an increase in the rates of basic compensation of officers and employees in the field service of the Post Office Department. Since I have always been in favor of reasonable and just compensation for these employees, I ask unanimous consent to have registered in the RECORD at a point immediately following the roll call vote on S. 2061 the fact that had I been here today I would have voted "aye" on this bill.

SPECIAL ORDERS GRANTED

Mrs. KNUTSON asked and was given permission to address the House for 5 minutes today following any special orders heretofore entered.

PERMISSION TO SIT DURING SESSION OF THE HOUSE

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Education and Labor may be permitted to sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was on objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary during the balance of the week may sit during general debate in the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Civil Defense of the Committee on the District of Columbia may sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COASTAL AND INTERCOASTAL SHIPPING

Mr. TUMULTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TUMULTY. Mr. Speaker, I have just introduced two bills designed to help maintain and reestablish, if possible, the coastal and intercoastal trades in the American merchant marine. Before explaining in detail the purpose of these bills, I should like to make a few brief remarks on the current activities of the Committee on Merchant Marine and Fisheries, of which I have the honor to be a member.

As you know, I am a freshman member of this body and accordingly I began my service on the Merchant Marine Committee at the beginning of this session, with limited knowledge of the matters coming under its jurisdiction. The committee has, however, been extremely active and there has been ample opportunity for the new members to become familiar, at least in a general way, with many of the difficulties confronting the American merchant marine today.

Recently we held a series of hearings on the question of how the present fleet is to be replaced. This aspect of the problem alone is enough to make us stop and think. As depressed as conditions may be in this great industry today, I can see even darker days ahead unless radical steps are taken.

In the last few days we have begun a series of conferences with leaders of labor and management in the maritime industry. In these conferences we have listened to frank, confidential discussions concerning the maritime situation. These conferences were preceded by staff studies conducted on the spot in practically every major port of the United States.

I wish to go on record today as supporting wholeheartedly the efforts of the chairman of the Merchant Marine Committee, the Honorable HERBERT C. BONNER, to remedy some of the ills that confront the industry today. I say this with full knowledge of the vicious attacks which are being made upon him by representatives of organized labor principally in connection with a bill he has introduced which would limit the amount of subsidy to be paid for wages, manning scales and working conditions aboard subsidized vessels. Whether this particular bill has merit I am not prepared to say at this time. However, I am prepared to state unqualifiedly that I am convinced of the sincerity, honesty of purpose, and open mindedness with which the chairman and all of the members of his committee have been approaching these problems thus far during this session of the Congress. I know, too, that the chairman is not committed to any single approach to the solution of these problems. He has said publicly, "If you do not agree with what I propose, come in and offer us a better way." Nothing could be fairer than that. And that is why, in my opinion, the complaints of labor leaders are unwarranted and unjustified.

We are in a search for the facts. So far as I am aware no member of the committee nor any member of its staff have any set ideas as to how these problems can best be solved. There has been no holding back on the part of any of us where deficiencies have come to light either that involved management, labor or Government administration. And I have every confidence that such an objective approach will continue to guide the course of action by the committee.

Coming to the two bills which I have introduced, the first would authorize construction subsidies for the owners and operators of vessels in the domestic trades. These operators, I understand, are not now eligible for construction subsidy.

The cost of building new ships has increased tremendously. The coastal and intercoastal trades which provided us with over 400 ships in 1942 when we were desperate for carrying capacity after Pearl Harbor have all but vanished. Something must be done to reestablish them. I believe there is ample justification, both from the standpoint of help to our desperate shipyards and from the standpoint of the American merchant marine, to grant subsidy aid for operation in these trades.

The second bill would exempt coastal and intercoastal vessels from the payment of tolls through the Panama Canal. I believe that the imposition of these tolls places an unreasonable burden upon coastwise and intercoastal lines and their attempts to compete with railroads, trucks, and airplanes. We are spending millions of dollars every year to maintain the Panama Canal as a vital link in our defense setup. But if by exacting tolls from coastwise and intercoastal ships we are weakening that part of our national defense, we are following, it seems to me, a rather foolish policy.

THE PRIEST WHO SAVES SOULS WITH MUSIC

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the story of the USO and of the wonderful men and women who gave so much of their time, and talent, and spirit, to help servicemen and veterans from the beginning of World War II, has not been given the recognition and the appreciation that it deserves.

These morale boosters play a very important part in the defense of our Nation, as every individual GI who was ever sick, or wounded, or lonely, will never forget as long as he lives.

Who were these men and women who volunteered for Operation Mercy?

One shining example is to be found in the record of a young clergyman, Rev. John M. Positano, O. S. A., who is currently serving as curate of the Holy Rosary Church in Lawrence, Mass.

He was ordained 13 years ago.

Twelve of those years were spent in overtime work helping our servicemen.

He was stationed at St. Nicholas of Tolentine Church in Philadelphia, when he became concerned about the problems facing millions of young Americans who had left the safety of home for the hazards of military life, in response to their country's call.

As he had been a professional clarinet player before he began his studies for the priesthood, Father Positano thought it would be a good idea to organize a troupe and present musical shows at Army hospitals, Air Corps bases, and even aboard Navy ships.

Fear and discouragement disappeared when the good father and his helpers came to cheer up men who needed it most.

Many were saved from cracking up, and losing their faith in God, by the priest who gave them hope with happiness.

He himself wore out 4 saxophones and 2 clarinets, in the course of entertaining over 25,000 servicemen and veterans each year.

Finally, his own health suffered under the double schedule of looking after the spiritual needs of his parishioners by day, and bringing encouragement to military personnel by night.

He was obliged to take a rest.

Now that he has been restored to health, Father Positano is at it again, bringing sunshine into the lives of the forgotten men in our veterans' hospitals.

Small wonder that, in 1946, Secretary of War Robert P. Patterson conferred a citation upon him and his troupe, for their distinguished services during World War II.

Or that the President's Committee on Religion and Welfare in the Armed Forces have congratulated him for his good work.

I, therefore, under unanimous consent, ask to reprint the following feature story by George J. Gelineau, that was first published in the Evening Tribune of Lawrence, Mass.

The article follows:

PRIEST TO GIVE "MUSICAL MEDICINE" TO VETS IN JAMAICA PLAIN HOSPITAL

(By George J. Gelineau)

More than a dozen years ago, Jack Foster was a young fellow "wowing" them as a hot clarinet player with Will Osborne's orchestra in a swing of engagements and one-night stands throughout the country.

Later, the same Jack Foster and his "licorice stick" were bringing smiles back to the faces of wonded servicemen, giving hope to those who felt the world had crashed down around them and, most important to him, because he was now the Reverend John M. Positano, O. S. A., it was combining to bring wandering souls back to religion.

Tomorrow, after a layoff of many months caused by an energy collapse which necessitated medical attention, an ironic situation for a man who had given so much of his time and efforts in behalf of patients, he will bring once more his musical medicine to the locked ward at the Jamaica Plain Veterans' Hospital.

The popular local cleric, ordained only a few years ago, returns to the world of Bach, Beethoven, and bop, hopeful that the musical instrument he carries around in a case that's seen better days will comfort and aid the confined personnel he visits.

ORDAINED IN 1942

"My clarinet is a religious instrument," he confides, recalling its many accomplishments down through the years since the day he received the holy orders from Francis Cardinel Spellman at St. Patrick's Cathedral in New York City 13 years ago.

Thumbing through a voluminous scrapbook he keeps, we noted that Father Positano has been billed under such titles as "The Benny Goodman of the Cloth" and "The Man Who Plays His Prayers."

But, the one that thrilled him most was the term "The Pied Piper of South Philadelphia." "That came while I was stationed at St. Nicholas of Tolentine Church out there; we were tagged with it because we were able to bring so many back to the sacraments," he reminisced while chatting over a cigarette the other night.

UNDERSTOOD PROBLEMS

"The clarinet instilled confidence. * * * I was a musician and understood the musician problems. There were many who came and made their peace with God in the confessional because they knew their mistakes would be understood."

This story goes back more than a dozen years. Jack Foster was torn between his music and the life of a priest. His father had passed away and the clarinet was now helping take care of the Positano family.

"If I went to the seminary, where would the money come from to support the house? * * * And, then, mother won a sweepstakes prize. * * * There was one answer to the problems at hand.

"Another time, I was scheduled to sit in with a band over in New York and had a solo all prepared. * * * When I got on the stand, not a single note would come from the instrument. I don't say it was a miracle, but it was certainly another incident and circumstance that helped me make up my mind," he mused across the newsroom desk.

Jack packed the clarinet away planning never to use it again.

He was going to be a priest.

But the good Lord had other ideas.

One day during his years at the seminary, the superior, who had found out about his seminarian's musical talent, asked if he would round up entertainment for graduation. "The licorice stick came out of storage for that occasion and it's been out ever since, I guess," Father John recalls.

REVITALIZED SOCIETY

During the war, while he was a curate at St. Nicholas Church in Philly, he revitalized the parish Holy Name Society whose ranks were being depleted with member after member being inducted into the Armed Forces for duty here and abroad.

Auxiliary fire fighters, officers, messengers, air-raid wardens, all enrolled in civilian-defense projects, came to meetings attired in the uniform particular to the unit they served.

The project, undertaken on a military footing, expanded as an extracurricular activity for Father John who was kept busy with his clerical duties. But, grow it did, and before long an entertainment unit comprising cabbies, bellhops, pressers, barkeeps, as well as professional men was organized to play, sing, and dance for service personnel in camps and hospitals under United Service Organization auspices.

BUILT UP GOOD WILL

"It built up good will among peoples of all faiths and the unit's reputation spread to various sections," the priest recalled, leafing through the scrapbook.

In addition, he kept contact with all parishioners in the Armed Forces and, Father John estimates, some 18,000 pieces of mail were sent to personnel stationed in various quarters of the globe.

Each man and woman from the parish was remembered at mass and holy communion on ecclesiastic feasts, and at other times during the year a letter went out to them containing small items about life at home and reporting on the organization's activities.

With the end of hostilities came a lull of interest for servicemen but not so with the St. Nicholas of Tolentine troupe. Not only had interest ebbed, USO also ended activities because of financial shortage.

"Why disband now?" they asked in unison. * * * And, remain together they did with Father Positano, because of his renown and fame, asked to assist President Truman's Committee on Religion and Welfare in the

Armed Forces. He appeared on a national radio hookup to stimulate renewed care for the welfare of personnel still confined to hospitals because of service-incurred wounds and ailments.

And, so it was that the Holy Rosary Church curate was honored as the only clergyman ever to receive the USO gold award, became the only man to receive the Italian Star of Solidarity Medal solely for his work in behalf of servicemen, and the fourth person to be given honorary membership in the Italian-American World War of the United States, Inc., joining Senator John Pastore, of Rhode Island, ex-President Truman, and President Eisenhower.

OTHER REMEMBRANCES, TOO

There were other remembrances, too—commendations and citations from the Catholic War Veterans and high-ranking service representatives, a resolution of appreciation passed unanimously in the Pennsylvania House of Representatives and a commendation from the Governor of that State when he was honored at a dinner because of his "outstanding contribution to the morale and welfare of service personnel."

These are all pasted in the scrapbook. They are silent testimonials of his accomplishments.

Not there in print but more important to him than all the medals, awards, and commendations, is a roster of the persons who have returned to the "straight and narrow" or found life worth living again because of the influence and confidence the licorice stick instilled in them.

SERVICEMAN SMILED

There is the case of a serviceman who hadn't smiled from the time he had been admitted to the mental section of a veterans' hospital. A broad grin broke across his face as Father John played a tune not far from his bedside.

"We work hard to bring these men back into the world of normality," commented a Jewish chaplain one day. "You can do it by playing a few notes on your clarinet. Look at that ward. Every man there is smiling and happy."

Tomorrow afternoon, Father Positano starts out again under any billing you want to give him. * * * "The Benny Goodman of the Cloth," or "The Man Who Plays His Prayers," or maybe, "Father John and His Musical Medicine."

Whichever it is, he's hoping it will benefit his listeners physically, mentally, and spiritually.

POLISH LIBERATION

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, American Polish Constitution Day has come and gone and the world still gazes upon the sorry spectacle of a Poland shrouded in the darkness of Soviet subjugation.

What a great tragedy, what a pathetic eventuality, what a gross violation of human decency to behold the great proud historic Polish nation shackled in bondage by the acquiescence and affirmative action of its own Allies in whose cause she has sacrificed the flower of her youth and the blood and treasure of her people. President Eisenhower's pronouncement of sometime ago declaring for the liberation of subject nations was a noble and inspiring document which the liberty-loving peoples of the world received with enthusiastic acclaim.

It is regrettable that because of misguided international diplomatic strategy the policy announced therein still remains unconsummated. A declaration by the American Congress proclaiming the right to freedom and liberation of oppressed nations would be the great unifying force in welding together the human and material resources of the entire free world. It would be a most effective way of implementing our program against all-world domination by ruthless communism.

There are some trusting souls who put their faith in pious dogmas, high-sounding phrases and exalted maxims. It is but a short jump from "Save the world for democracy" to "Give us the guns and we will finish the job" and the altruistic professions of the Atlantic Charter, "governments of their own choosing." The containment of communism became a shibboleth for a while, and now it is "coexistence with communism," a phrase hatched rather dubiously at 10 Downing Street and parroted around the free world as if it were a magical, automatic formula for peace.

Why cannot men who sincerely seek peace speak with candor, earnestness and truth? Why do they have to use fraudulent, hypocritical speeches to veil their thoughts or to employ a catch word in order to avoid squarely meeting the issue?

What is the objective of world communism? Is it peaceful coexistence, or is it world conquest and world communism? For that answer, we do not have to speculate because it is readily available to anyone who can read and hear in the writings, speeches and pronouncements of any one of a dozen outstanding Soviet leaders and their stooges in this and every other country in the world.

If we peacefully coexist in a world side by side without combating a fierce conspiracy striving for our destruction, we can, if we are willing to embrace it enjoy a pyrrhic victory and a Carthaginian peace. On the other hand, if we face the facts, take the Soviet leaders at their own word, we are driven to the conclusion that a doctrine of coexistence is abortive and foredoomed to failure since it does not solve the problem of peace or war but only defers it. Many prominent Soviet leaders have heretofore declared in no uncertain terms that communism and capitalism could not live together in the same world. Many speeches and documents attest to the fact that it is the declared intention of the Soviet first to weaken by propaganda infiltration and every other despicable underhanded method and then to destroy existing free democracies and finally to subjugate the entire world under the abominable slave system of Karl Marx.

This Nation does not seek war, nor does it wish to promote belligerency by utterance or by action, but it is a great free Nation and it must provide the courageous leadership for the free world to fight against the powers of darkness enveloping and encompassing it.

Let us make it clear to the Soviets and every other Nation that we are pledged to justice between men and nations and that a peace based upon injustice cannot endure for long. Peace based upon the subjugation of small nations, upon the oppression of millions of freedom-loving peoples is a farcical travesty upon the eternal, God-given principles of human liberty.

It is appropriate that we should congratulate Poland and the Polish people today but it is even more appropriate that we should pledge to them and to all small nations now suffering under the lash of tyranny that we fearlessly and unequivocally stand for their liberation. If the free world intends to preserve its freedom, it can afford to lose no more time shadow-boxing with the grave issues of survival underlying current world politics. The Soviet must realize sooner or later, and it may as well be now, that this Nation will never yield to domination and will never be terrorized or intimidated by armed aggression, by subtle conspiracy or by threats of atomic destruction.

The decision for war or peace lies not with us, but with the Soviet. Peace can be theirs for the asking once they manifest a sincere, honest purpose to abandon their nefarious aims to conquer the world for their slave police state, once that they demonstrate in concrete and practical ways their intention to abandon oppression of their fellow men and nations and walk in the ways of a just peace.

Let the sons and daughters of noble Poland continue to be strong and unyielding in their faith in God and their faith in liberty. Let them be assured that this great Nation, born in travail, struggle and sacrifice, founded in freedom and justice, will ever stand by their side, will extend them a helping hand in thowing off the chains of Marxist slavery.

When the wrongs of Poland and other free nations have been righted in the councils and tribunals of nations, when oppression is ended and tyranny banished, the dove of peace will again find welcome in the world. Then and not until then will we enjoy the fruits of universal disarmament and good will and a world devoted to human brotherhood and progress through freedom and justice.

ANNOUNCEMENT

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, Members of this body and their families are invited to participate in a rare treat.

The musical play, The Vanishing Island, is being performed for their benefit Tuesday and Wednesday evening of this week at 8 at the National Theater. You are invited to be the guests of Moral Re-Armament, a nonsectarian, world-wide, ideological movement that millions of people now believe will be the deter-

mining factor in the struggle for the minds of men.

I have seen this play and, I assure you, in addition to the message it carries, it is a most delightful, captivating, and altogether satisfying play. Having had the aid of the top professionals of Hollywood in its production, it is truly a professional production, plus that extra something that can only come from inspiration.

May I respectfully urge that every Member of this body, regardless of what other engagements you have for either Tuesday or Wednesday evenings, make it a point to see this musical play, The Vanishing Island, at the National Theater, and bring your families, without charge.

Thursday the troupe leaves for Japan, at the express invitation of Premier Hatoyama, for production in Tokyo. From there it will have successive runs in the Philippines, Formosa, Thailand, Indonesia, Pakistan, Ceylon, India, Iraq, Iran, Egypt, Turkey, Greece, and will wind up its world tour at Caux, Switzerland, on September 1.

This is your last chance to see and enjoy this captivating play, at least until next year, if then. Do not miss it. I urge you.

CONSENT CALENDAR

The SPEAKER pro tempore (Mr. MILLS). This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PENSION FOR MEDAL-OF-HONOR HOLDERS

The Clerk called the bill (H. R. 735) to increase the rate of special pension payable to certain persons awarded the Medal of Honor.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

APPOINTMENT OF CONGRESSIONAL DELEGATION TO ATTEND NORTH ATLANTIC TREATY ORGANIZATION PARLIAMENTARY CONFERENCE

The Clerk called House Concurrent Resolution 109.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

INCREASING THE FEE FOR EXECUTING AN APPLICATION FOR A PASSPORT FROM $1 TO $3

The Clerk called the bill (H. R. 5844) to increase the fee for executing an application for a passport from $1 to $3.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, a colleague has requested that I have this bill passed over without prejudice. I therefore withdraw my reservation of objection and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONSTITUTIONAL CONVENTION IN ALASKA

The Clerk called the bill (H. R. 5166) relating to a constitutional convention in Alaska.

Messrs. CUNNINGHAM, DEANE, and ASPINALL objected.

JEFFERSON AND PLAQUEMINES DRAINAGE DISTRICT, LOUISIANA

The Clerk called the bill (H. R. 1768) for the relief of the Jefferson and Plaquemines Drainage District and certain persons whose properties abut on the Federal Government's right-of-way for Harvey Canal in Louisiana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment fixing the boundary between the east right-of-way line for Harvey Canal (a segment of the Intracoastal Canal in Louisiana), south of the 80-arpent line, and abutting properties and the easement, servitude, and right of use for levee purposes adjacent to said right-of-way line, claimed by the Jefferson and Plaquemines Drainage District, and which said right-of-way was conveyed to the United States by act of sale from Harvey Canal Land & Improvement Co. on March 10, 1924, and registered in the records of the parish of Jefferson, State of Louisiana, on March 10, 1924, in conveyance book 61, folio 443. In the determination of such matter all defenses of the United States based upon laches, lapses of time, statutes of limitation, prescriptive periods, and estoppel arising out of the issuance of permits for any activities or constructions along said Harvey Canal, are hereby waived.

SEC. 2. Such suit may be instituted at any time within 1 year after the enactment of this act by Jefferson and Plaquemines Drainage District and/or any of said abutting property owners, and any of said other parties may join or intervene in such action. Nothing in this act shall be construed as an implication of liability on the part of the United States.

With the following committee amendments:

Page 1, line 3, strike out "Court of Claims", and insert in lieu thereof "United States District Court for the Eastern District of Louisiana, New Orleans Division."

Page 2, line 14, after the name "District", strike out "and/".

Page 2, line 18, after the period, insert:

"SEC. 3. No monetary benefits or claims against the United States shall accrue as a result of the determination of the said boundary under this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Do not three objections take a bill from the Consent Calendar?

The SPEAKER pro tempore. Not the first time the bill is called from the Consent Calendar. The Clerk will call the next bill.

SUBPENA POWER FOR COMMODITY EXCHANGE AUTHORITY

The Clerk called the bill (H. R. 4514) to strengthen the investigation provisions of the Commodity Exchange Act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DEANE. Mr. Speaker, I ask unanimous consent that the bill (S. 1398) be substituted for the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the third sentence of section 6 (b) of the Commodity Exchange Act (7 U. S. C. 15) is amended to read as follows: "For the purpose of securing effective enforcement of the provisions of this act, and for the purpose of any investigation or proceeding under this act, the provisions including penalties, of the Interstate Commerce Act, as amended and supplemented (49 U. S. C. 12, 46, 47, 48), relating to the attendance and testimony of witnesses, the production of documentary evidence, and the immunity of witnesses, are made applicable to the power, jurisdiction, and authority of the Secretary of Agriculture (or any person designated by him), the commission, and any referee designated pursuant to the provisions of this act, and to any person subject thereto."

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

A similar House bill (H. R. 4514) was laid on the table.

A motion to reconsider was laid on the table.

LOWERING LIGHTHOUSE SERVICE RETIREMENT AGE

The Clerk called the bill (H. R. 3399) to lower the age requirements with respect to optional retirement of persons serving in the Coast Guard who served in the former Lighthouse Service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, I ask unanimous consent that a similar Senate bill—S. 1419—be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended (33 U. S. C., sec. 763), is amended by striking out "who shall have reached the age of 65 years, after having been 30 years in the active service of the Government," and inserting in lieu thereof the following: "who (1) shall have reached the age of 60 years, after having been 30 years in the active service of the Government, or (2) shall have reached the age of 62 years, after having been 25 years in the active service of the Government."

SEC. 2. This act shall take effect on the first day of the second month beginning after the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3399) was laid on the table.

RETIREMENT OF CERTAIN OFFICERS IN COAST GUARD

The Clerk called the bill (H. R. 5875) to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That chapter 11 of title 14 of the United States Code is amended by—

(1) inserting, in the analysis thereto after item 244 the following:

"245. Repealed.
"246. Repealed.
"247. Rear admirals; involuntary retirement; retention on the active list.
"248. Captains; retention on the active list; involuntary retirement.";

and

(2) inserting, immediately after section 244 thereof, the following new sections:

"§ 247. Rear admirals; involuntary retirement; retention on the active list

"(a) Any rear admiral, unless retired under some other provision of law or retained on the active list under subsection (b) of this section, shall be placed on the retired list on June 30 of the fiscal year in which he completes a total of 7 years of service in the permanent grade of rear admiral or a total of 35 years of active commissioned service, including service creditable for retirement purposes under sections 432, 433, and 434 of this title.

"(b) Notwithstanding subsection (a) of this section, the Commandant, with the approval of the Secretary, may by annual action retain on the active list from fiscal year to fiscal year any rear admiral who would otherwise be retired under subsection (a). A rear admiral so retained, unless retired under some other provision of law, shall be placed on the retired list on June 30 of that fiscal year in which no action is taken to further retain him under this subsection.

"(c) Subsections (a) and (b) of this section do not apply to any officer serving as Commandant, Assistant Commandant, or Engineer-in-Chief. However, time served in any of those offices shall be included in any computation made under subsection (a) after the officer has vacated the office.

"§ 248. Captains; retention on the active list: involuntary retirement

"(a) The Secretary shall convene annually during January a board consisting of not less than five commissioned officers of the grade of rear admiral. The board shall consider for retention on the active list, and shall select for retention on the active list 75 percent of, all captains who have completed or who during the fiscal year in which the board meets will complete, a total of 8 or more years of service, whether permanent or temporary, in the grade of captain, and a total of 30 or more years of active commissioned service, including service creditable for retirement purposes under sections 432, 433, and 434 of this title. When a final fraction occurs in any computation made of the number of captains to be retained under this section, the nearest whole number shall be taken, and if the fraction be one-half, the next highest whole number shall be taken.

"(b) Any captain who is considered by the board and is not selected for retention under subsection (a) of this section, unless retired under some other provision of law or retained on the active list under subsection (c) of this section, shall be placed on the retired list on June 30 of the fiscal year in which considered by the board.

"(c) Notwithstanding subsection (b) of this section, the Commandant, with the approval of the Secretary, may by annual action retain on the active list from fiscal year to fiscal year any captain who would otherwise be retired under subsection (b). A captain so retained shall not be considered for retention on the active list by any subsequent board convened under subsection (a) of this section, and, unless retired under some other provision of law, shall be placed on the retired list on June 30 of that fiscal year in which no action is taken to further retain him under this subsection."

SEC. 2. This act shall become effective on July 1, 1955.

With the following committee amendments:

On page 2, line 5, delete the words "shall be placed on the retired list" and insert in lieu thereof "shall be retired."

On page 2, lines 16 and 17, delete the words "shall be placed on the retired list" and insert in lieu thereof "shall be retired."

On page 3, lines 21 and 22, delete the words "shall be placed on the retired list" and insert in lieu thereof "shall be retired."

On page 4, lines 6 and 7, delete the words "shall be placed on the retired list" and insert in lieu thereof "shall be retired."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LAND TO THE CITY OF WOODWARD, OKLA.

The Clerk called the bill (H. R. 1762) to provide for the conveyance of certain lands by the United States to the city of Woodward, Okla.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. COOLEY. Mr. Speaker, will the gentleman withhold that request for a moment?

Mr. BYRNES of Wisconsin. I will.

Mr. COOLEY. I would just like to say to the gentleman that there was no objection to the bill in committee. My recollection is that it was unanimously reported.

Mr. BYRNES of Wisconsin. Maybe the gentleman can answer a question, then, to resolve the issue. I notice that the bill provides for the conveyance of this property to the city of Woodward for the construction of a water-storage tank for one-half of its appraised value. Now, the United States purchased this tract. The Federal Government paid full value for this property, as I understand, in 1938. The question I have is, Why do we sell property back for half of its value rather than for its true appraised value at the present time?

Mr. COOLEY. I would like to call attention to the fact that this parcel of land contains actually ninety-four one-hundredths of 1 acre or something like that. I would like for the gentleman from Oklahoma [Mr. BELCHER], the author of the bill, to answer the gentleman's inquiry.

Mr. BELCHER. This tract consists of ninety-four one-hundredths of an acre, which is in the corner of a tract of land which was bought in 1938. I believe the value of this ninety-four one-hundredths of an acre is probably not in excess of $100.

Mr. BYRNES of Wisconsin. I see nothing to prevent the community, then, from paying the full value. It seems there is quite a precedent here to sell property for half of its value without any reason for doing so.

Mr. COOLEY. I do not have the report before me, but I would like to ask the gentleman from Oklahoma if it is not a fact that the Department has approved and recommended the passage of this bill.

Mr. BELCHER. The bill was first introduced to convey the land to the city of Woodward, Okla., and the Department wrote a report in which they said they thought the city of Woodward should pay half of the appraised value of the land.

Mr. COOLEY. I would like to call attention to the fact that an identical bill, Senate 998, has already passed the Senate, and it is the purpose of the gentleman from Oklahoma [Mr. BELCHER] to ask unanimous consent that the Senate bill be substituted for the House bill.

Mr. BYRNES of Wisconsin. We have to get past the House bill first, as I understand.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Oklahoma.

Mr. ALBERT. It is my understanding that this report, as written by the Department, was written to conform more or less to the Recreation Act under which Federal properties can be sold for a reduced consideration for public purposes.

Mr. BYRNES of Wisconsin. Where the general public has access to it and so forth. I would not consider that this is in the same category, because this is operating a waterworks.

Mr. ALBERT. Well, it is a public purpose, certainly, for the benefit of the entire community.

Mr. BYRNES of Wisconsin. It is not my purpose to argue the point with the gentleman. I ask that it be passed over, and I would like to ask the author of the bill whether or not he would be satisfied with an amendment which would provide that they shall pay the appraised value

of the property. I can see no basis for the Federal Government giving away land for less than its true value.

Mr. BELCHER. In the 5 years I have been a Member of the House, I voted for bill after bill where property has been transferred to cities and municipalities and subdivisions of the Government without any money being paid whatsoever. This is certainly for a public purpose. It goes to the city of Woodward. This is a very small amount. This is of no value to the Federal Government as far as that experiment station is concerned.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. COOLEY. I think the gentleman suggested that we were providing here for the sale of this parcel of land to the city of Woodward at one-half of its value. That means one-half of its appraised value rather than one-half of the cost to the Government when originally acquired. If I am correct in my recollection, this is a part of a much larger tract of land. Formerly there was a house upon it. Now there are some old foundations there and it is practically worthless to the Federal Government, but it can be of some value to the city of Woodward.

Mr. BYRNES of Wisconsin. Mr. Speaker, I appreciate what the gentleman says, but it seems to me that we would be establishing a precedent here. In these other cases to which the gentleman has referred, we have conveyed property but there was always a reversionary interest in the United States in the event that the property was not used for the purpose for which we dedicated it. I do not recall any case where we have dedicated property for a type of function such as proposed in this case.

Mr. Speaker, so that we do not take more of the time of the House on this matter, I ask unanimous consent that the bill be passed over without prejudice, and I shall confer with the gentleman from Oklahoma [Mr. BELCHER] and the chairman of the Committee on Agriculture.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROVIDING FOR THE RELIEF OF CERTAIN MEMBERS OF THE ARMY AND AIR FORCE

The Clerk called the bill (H. R. 5652) to provide for the relief of certain members of the Army and Air Force, and for other purposes.

Mr. FORD. Mr. Speaker, reserving the right to object, I note in the committee report that the sum involved here is considerably more than the total amount normally authorized for the Consent Calendar. The objector's committee has set up a restriction of $1 million. This is $2,385,000.

Consequently, I withdraw my reservation of objection and ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONSTRUCTION OF TOLL BRIDGE ACROSS RAINY RIVER AT OR NEAR BAUDETTE, MINN.

The Clerk called the bill (H. R. 4630) to extend the times for commencing and completing the construction of a toll bridge across the Rainy River at or near Baudette, Minn.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. JUDD. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 528, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act approved December 21, 1950, entitled "An act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River, at or near Baudette, Minn.," be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 2 years and completed within 4 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4630) was laid on the table.

INVITATION TO HOLD WINTER OLYMPIC GAMES AT SQUAW VALLEY, CALIF.

The Clerk called the resolution (H. J. Res. 296) extending an invitation to the International Olympic Committee to hold the winter Olympic games in the United States at Squaw Valley, Calif.

The SPEAKER pro tempore. Is there objection to the present consideration of the House joint resolution?

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that an identical Senate resolution, Senate Joint Resolution 51, be considered in lieu of the House resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That whereas the United States Olympic Association will invite the International Olympic Committee to hold the winter Olympic games in the United States at Squaw Valley, Calif., in 1960, the Government of the United States joins in the invitation of the United States Olympic Association to the International Olympic Committee to hold the 1960 winter Olympic games in the United States at Squaw Valley, Calif.; and expresses the sincere hope that the United States will be selected as the site.

SEC. 2. The Secretary of State is directed to transmit a copy of this joint resolution to the International Olympic Committee.

The joint resolution was ordered to be read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H. J. Res. 296) was laid on the table.

BURLEY TOBACCO MARKETING CONTROLS

The Clerk called the joint resolution (S. J. Res. 60) directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That for the purpose of developing basic information which will aid the Congress in formulating an improved program for the production and marketing of burley tobacco, the Secretary of Agriculture is authorized and directed (a) to make a study of the various methods of marketing control which have been or could be made applicable to burley tobacco, including farm marketing quotas, poundage limitations, acreage limitations, and a combination of both poundage and acreage limitations, and (b) to submit to the Congress on or before July 1, 1955, a detailed report thereon showing among other things the probable costs, effects, and feasibility of each type of operation studied and what legislation, if any, would be needed to put it into effect. The Secretary may conduct such hearings and receive such statements and briefs as are necessary to carry out the purpose of this joint resolution.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGIA STATE BOARD OF EDUCATION

The Clerk called the bill (H. R. 2973) to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Macon County, Ga., to the Georgia State Board of Education.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to the Georgia State Board of Education all of the right, title, and interest of the United States in and to a tract of land containing two hundred twenty-six and one hundred forty-eight one-thousands acres more or less, in Macon County, Ga., and more particularly described as follows:

That certain tract or parcel of land known as the Barrow Place in the Ninth District of Macon County (formerly Houston County), Georgia, and described on the plat of said county as lot 161 in said district and county, and more particularly described as follows:

"Beginning at the northeast corner of the said land lot, said corner being an iron axle and thence along the east line of said road south one degree sixteen minutes fifty-eight seconds east 3,263.79 feet to an iron pipe, thence north eighty-nine degrees eleven minutes forty-three seconds west 3,056.88 feet to an iron pipe, thence north zero degrees fifteen minutes eight seconds west 3,246.16 feet to an iron pipe, thence south eighty-nine degrees thirty minutes four seconds east

2,998.04 feet to the point of beginning, containing 226.148 acres, more or less."

With the following committee amendment:

Page 1, strike out lines 3, 4, 5, and the words "States in and to" in line 6, and insert the following: "That upon the written consent of the Georgia Livestock Development Authority the United States of America, acting through the Administrator of the Farmers' Home Administration, is authorized and directed to convey by quitclaim deed to the Georgia State Board of Education, its successors and assigns, all of the right, title, and interest retained by the United States of America in its quitclaim deed to the Georgia State Board of Education, dated December 18, 1945, and recorded on January 28, 1946, in deed record book WW, page 156, in the Office of the Clerk of the Superior Court of Macon County, Ga., covering."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPLE PRICES

The Clerk called the bill (H. R. 5188) to prohibit publication by the Government of the United States of any prediction with respect to apple prices.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I am curious to know what prompts this proposed legislation. Will someone give me a brief explanation?

Mr. HARRISON of Virginia. This bill applies only to the apple industry. It seeks to put apples in the same situation in which the cotton crop is—to prevent the Department of Agriculture from predicting what future market prices will be. Experience has shown that the Department of Agriculture is not capable of guessing the future of any market. If the officials could do that they would hardly be working on a salary for the Government; they would be making millions. It has worked a great hardship to both the consumer and the producer.

Mr. GROSS. I wonder if the gentleman would suggest the same thing for soybeans and for Iowa hogs?

Mr. HARRISON of Virginia. I would suggest the same thing for any crop or product where experience has shown that the estimate of prices does injury to the ordinary marketing of the crop.

Mr. GROSS. I am sure that has happened a good many times in the history of midwestern agriculture.

Mr. HARRISON of Virginia. I suggest the gentleman present a bill.

Mr. GROSS. I regret I did not know the gentleman had introduced this bill or I perhaps would have added an amendment to cover other products.

Mr. HARRISON of Virginia. If I had known the gentleman was interested, I certainly would have been willing to have him offer such an amendment.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, the gentleman says there is something in the bill for apple growers?

Mr. HARRISON of Virginia. No, there is something in there to stop the Department of Agriculture from doing something for apple growers at public expense that apple growers do not want done.

Mr. HOFFMAN of Michigan. It is for the benefit of apple growers?

Mr. HARRISON of Virginia. The gentleman asked whether there was something in there for them. There is nothing in there for them. This bill will save the Treasury a little money without doing anybody else any harm.

Mr. HOFFMAN of Michigan. How come you are trying to do something for the apple growers? I thought it was all right for cotton and wheat and things like that.

Mr. HARRISON of Virginia. I beg the gentleman's pardon.

Mr. HOFFMAN of Michigan. Could not the gentleman hear what I said?

Mr. HARRISON of Virginia. The apple growers, like a great many other farmers, hoe their own row.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 15 (d) of the Agricultural Marketing Act (act of June 15, 1929; 12 U. S. C. 1141j (d)), as amended, is hereby amended by inserting after the word "cotton," the words "or apples."

With the following committee amendment:

Page 1, line 6, strike out "apples" and insert "apple."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGISTRATION OF CERTAIN PERSONS TRAINED IN FOREIGN ESPIONAGE SYSTEMS

The Clerk called the bill (H. R. 3882) to require the registration of certain persons who have knowledge of or have received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 20 of the Internal Security Act of 1950 is amended by repealing subsection (a), and by deleting the designation "(b)" which appears in said section.

SEC. 2. Except as provided in section 3 of this act, every person who has knowledge of, or has received instruction or assignment in, the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or of a foreign political party, shall register with the Attorney General by filing with the Attorney General a registration statement in duplicate, under oath, prepared and filed in such manner and form, and containing such information as the Attorney General, having due regard for the national security and the public interest, by regulations prescribes.

SEC. 3. The registration requirements of section 2 of this act do not apply to any person—

(a) who has obtained knowledge of or received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party by reason of civilian, military, or police service or employment with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories, or the Canal Zone;

(b) who has obtained such knowledge solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party;

(c) who has made full disclosure of such knowledge, instruction, or assignment to officials within an agency of the United States Government having responsibilities in the field of intelligence, which disclosure has been made a matter of record in the files of such agency, and concerning whom a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security;

(d) whose knowledge of, or receipt of instruction or assignment in, the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or of a foreign political party, is a matter of record in the files of an agency of the United States Government having responsibilities in the field of intelligence and concerning whom a written determination is made by the Attorney General or the Director of Central Intelligence, based on all information available, that registration would not be in the interest of national security;

(e) who is a duly accredited diplomatic or consular officer of a foreign government, who is so recognized by the Department of State, while he is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer, and any member of his immediate family who resides with him;

(f) Who is an official of a foreign government recognized by the United States, whose name and status and the character of whose duties as such official are of record in the Department of State, and while he is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such official, and any member of his immediate family who resides with him;

(g) who is a member of the staff of or employed by a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, and whose name and status and the character of whose duties as such member or employee are a matter of record in the Department of State, while he is engaged exclusively in the performance of activities recognized by the Department of State as being within the scope of the functions of such member or employee;

(h) who is an officially acknowledged and sponsored representative of a foreign government and is in the United States on an official mission for the purpose of conferring or otherwise cooperating with United States intelligence or security personnel;

(i) who is a member of a force of a NATO country who enters the United States under the provisions of article III, paragraph (1) of the Agreement Regarding Status of Forces of Parties of the North Atlantic Treaty, or who is a civilian or one of the military personnel of a foreign armed service who has been invited to the United States for training

purposes at the request of a military department of the United States; or

(j) who is a person designated by a foreign government to serve as its representative in or to an international organization or is an officer or employee of such an organization or who is a member of the immediate family of, and resides with, such a representative, officer, or employee.

SEC. 4. The Attorney General shall retain in permanent form one copy of all registration statements filed under this act. They shall be public records and open to public examination and inspection at such reasonable hours and under such regulations as the Attorney General prescribes, except that the Attorney General, having due regard for the national security and public interest, may withdraw any registration statement from public examination and inspection.

SEC. 5. The Attorney General may at any time, make, prescribe, amend, and rescind such rules, regulations, and forms as he deems necessary to carry out the provisions of this act.

SEC. 6. (a) Whoever willfully violates any provision of this act or any regulation thereunder, or in any registration statement willfully makes a false statement of a material fact or willfully omits any material fact, shall be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

(b) Any alien convicted of a violation of this act or any regulation thereunder is subject to deportation in the manner provided by chapter 5, title II, of the Immigration and Nationality Act (66 Stat. 163).

SEC. 7. Failure to file a registration statement as required by this act is a continuing offense for as long as such failure exists, notwithstanding any statute of limitation or other statute to the contrary.

SEC. 8. Compliance with the registration provisions of this act does not relieve any person from compliance with any other applicable registration statute.

SEC. 9. If any provision of this act or the application thereof to any person or circumstances is held in valid, the remainder of the act, and the application of such provisions to other persons or circumstances, is not affected thereby.

With the following committee amendments:

Page 2, lines 4 and 5, strike out the word "information" and substitute in lieu thereof "statements, information, or documents pertinent to the purposes and objectives of this act."

Page 4, line 23, change subparagraph (i) to read as follows:

"(i) who is a civilian or one of the military personnel of a foreign armed service coming to the United States pursuant to arrangements made under a mutual defense treaty or agreement, or who has been invited to the United States at the request of an agency of the United States Government; or"

Page 5, line 8, after the word "organization", insert "in which the United States participates."

Page 5, line 15, after the word "examination", strike out "and inspection."

Page 5, line 19, after the word "examination", strike out "and inspection."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXECUTION OF CERTAIN MORTGAGES AND DEEDS OF TRUST

The clerk called the bill (H. R. 4802) to authorize the execution of mortgages and deeds of trust on individual Indian trust or restricted land.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

INCREASING THE PUBLIC BENEFITS FROM THE NATIONAL PARK SYSTEM BY FACILITATING THE MANAGEMENT OF MUSEUM PROPERTIES RELATING THERETO

The Clerk called the bill (H. R. 5597) to increase the public benefits from the national park system by facilitating the management of museum properties relating thereto.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GAVIN. Reserving the right to object, Mr. Speaker, I wonder if the gentleman from California [Mr. ENGLE] will explain this bill.

Mr. ENGLE. The purpose of this bill is to permit the Secretary of the Interior to handle museums and objects for museum purposes which are donated to the Secretary of the Interior. At the present time a donation for museum purposes cannot be shifted from one museum to another. This bill would authorize and facilitate the management of museum property by permitting that to be done and by permitting the Secretary of Agriculture to use funds donated for the purpose of helping museums for the explicit purpose of acquiring collections and properties to be displayed in park museums.

Mr. GAVIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the purpose of this act shall be to increase the public benefits from museums established within the individual areas administered by the Secretary of the Interior through the National Park Service as a means of informing the public concerning the areas and preserving valuable objects and relics relating thereto. The Secretary of the Interior, notwithstanding other provisions or limitations of law, may perform the following functions in such manner as he shall consider to be in the public interest:

(a) Accept donations and bequests of money or other personal property, and hold, use, expend, and administer the same for purposes of this act;

(b) Purchase from such donations and bequests of money, museum objects, museum collections, and other personal properties at prices he considers to be reasonable;

(c) Make exchanges by accepting museum objects, museum collections, and other personal properties, and by granting in exchange therefor museum property under the administrative jurisdiction of the Secretary which is no longer needed or which may be held in duplicate among the museum properties administered by the Secretary, such exchanges to be consummated on a basis which the Secretary considers to be equitable and in the public interest;

(d) Accept the loan of museum objects, museum collections, and other personal properties and pay transportation costs incidental thereto, such loans to be accepted upon terms and conditions which he shall consider necessary; and

(e) Loan to responsible public or private organizations, institutions, or agencies, without cost to the United States, such museum objects, museum collections, and other personal property as he shall consider advisable, such loans to be made upon terms and conditions which he shall consider necessary to protect the public interest in such properties.

With the following committee amendment:

Page 2, line 6, following the word "Purchase", insert the words "from such donations and bequests of money."

The committee amendment was agreed to.

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

Mr. ENGLE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1747) to increase the public benefits from the national park system by facilitating the management of museum properties relating thereto, and for other purposes, which is a similar but not identical bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the purpose of this act shall be to increase the public benefits from museums established within the individual areas administered by the Secretary of the Interior through the National Park Service as a means of informing the public concerning the areas and preserving valuable objects and relics relating thereto. The Secretary of the Interior, notwithstanding other provisions or limitations of law, may perform the following functions in such manner as he shall consider to be in the public interest:

(a) Accept donations and bequests of money or other personal property, and hold, use, expend, and administer the same for purposes of this act;

(b) Purchase from such donations and bequests of money, museum objects, museum collections, and other personal properties at prices he considers to be reasonable;

(c) Make exchanges by accepting museum objects, museum collections, and other personal properties, and by granting in exchange therefor museum property under the administrative jurisdiction of the Secretary which is no longer needed or which may be held in duplicate among the museum properties administered by the Secretary, such exchanges to be consummated on a basis which the Secretary considers to be equitable and in the public interest;

(d) Accept the loan of museum objects, museum collections, and other personal properties and pay transportation costs incidental thereto, such loans to be accepted upon terms and conditions which he shall consider necessary; and

(e) Loan to responsible public or private organizations, institutions, or agencies, without cost to the United States, such museum objects, museum collections, and other personal property as he shall consider advisable, such loans to be made upon terms and conditions which he shall consider necessary to protect the public interest in such properties.

SEC. 2. Before disposing permanently (including a disposition made as part of an exchange) of any object or collection received

as a donation authorized by this act, the Secretary of the Interior shall (1) give notice of such disposal, at least 30 days prior to the making thereof, to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives, and (2) make a reasonable effort to give notice of such disposal to the donor of such object or collection, or to his heirs if such donor is deceased.

Mr. ENGLE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE: Strike out all after the enacting clause of the bill, S. 1747, and insert the provisions of the bill, H. R. 5597, as agreed to.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(By unanimous consent (at the request of Mr. ENGLE) the proceedings whereby the bill, H. R. 5597, was passed were vacated and that bill was laid on the table.)

PRESERVING HISTORIC PROPERTIES IN THE CITY OF BOSTON

The Clerk called the joint resolution (H. J. Res. 207) to provide for investigating the feasibility of establishing a coordinated local, State, and Federal program in the city of Boston, Mass., and general vicinity thereof, for the purpose of preserving the historic properties, objects, and buildings in that area.

Mr. ENGLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S. J. Res. 6) to provide for investigating the feasibility of establishing a coordinated local, State, and Federal program in the city of Boston, Mass., and general vicinity thereof, for the purpose of preserving the historic properties, objects, and buildings in that area.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Whereas there are located within the city of Boston and vicinity a number of historic properties, buildings, sites, and objects of the Colonial and Revolutionary period of American history which, because of their historical significance or their architectural merit, are of great importance to the Nation; and

Whereas at this critical period, as well as at all periods in our national life, the inspiration afforded by such prime examples of the American historical heritage and their interpretation is in the public interest; and

Whereas it is proper and desirable that the United States of America should cooperate in a program looking to the preservation and public use of these historic properties that are intimately associated with American Colonial solidarity and the establishment of American independence: Therefore be it

Resolved, etc., That a Commission is hereby created for the purpose of investigating the feasibility of establishing a coordinated program in which the Federal Government may cooperate with local and State governments and historical and patriotic societies for the preservation and appreciation by the public of the most important of the Colonial and Revolutionary properties in Boston and the general vicinity thereof which form outstanding examples of America's historical heritage.

SEC. 2. The Commission shall be known as the Boston National Historic Sites Commission, and shall be composed of seven individuals, who shall serve without compensation, to be appointed as follows: One Member of the United States Senate, to be appointed by the President of the Senate; one Member of the United States House of Representatives, to be appointed by the Speaker of the House; one member to be appointed by the Secretary of the Interior, and 4 persons, at least 1 of whom shall be a resident of the city of Boston, to be appointed by the President of the United States. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

SEC. 3. The Commission shall meet for the purpose of organizing within 90 days after the enactment of this act. The Commission shall elect a chairman and executive secretary from among its members.

SEC. 4. The Commission shall (a) make an inventory and study of the historic objects, sites, buildings, and other historic properties of Boston and the general vicinity thereof, including comparative real estate costs; (b) prepare an analysis of the existing condition and state of care of such properties; (c) recommend such programs by the local, State, or Federal Governments and cooperating societies for the future preservation public use, and appreciation of such properties as the Commission shall consider to be in the public interest; and (d) prepare a report containing basic factual information relating to the foregoing and the recommendations of the Commission thereon. Such report shall be transmitted to the Congress by the Secretary of the Interior within 2 years following the approval of this act and the securing of appropriations for purposes hereof. Upon submission of the report to the Congress, the Commission shall cease to exist.

SEC. 5. (a) The Secretary of the Interior may appoint and fix the compensation, in accordance with the provisions of the civil-service laws and the Classification Act of 1949, as amended, of such experts, advisers, and other employees, and may make such expenditures, including expenditures for actual travel and subsistence expense of members, employees, and witnesses (not exceeding $15 for subsistence expense for any 1 person for any 1 calendar day), for personal services at the seat of government and elsewhere, and for printing and binding, as are necessary for the efficient execution of the functions, powers, and duties of the Commission under this act. The Commission is authorized to utilize voluntary and uncompensated services for the purposes of this act. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $40,000, to carry out the provisions of this act, including printing and binding.

(b) The Commission shall have the same privilege of free transmission of official mail matters as is granted by law to officers of the United States Government.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar joint resolution (H. J. Res. 207) was laid on the table.

NONMINERAL LAND LAWS

The Clerk called the bill (S. 265) to amend the acts authorizing agricultural entries under the nonmineral land laws of certain mineral lands in order to increase the limitation with respect to desert entries made under such acts to 320 acres.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to provide for agricultural entries on coal lands" approved June 22, 1910 (36 Stat. 583), is amended by deleting the following: "no desert entry made under the provisions of this act shall contain more than 160 acres, and."

SEC. 2. The first section of this act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas or asphaltic minerals," approved July 17 1914 (38 Stat. 509), is amended by deleting the following: "; but no desert entry made under the provisions of this act shall contain more than 160 acres."

SEC. 3. Any person who, prior to the date of approval of this act, has made a valid desert-land entry on lands subject to such act of June 22, 1910, or of July 17, 1914, may, if otherwise qualified, enter as a personal privilege, not assignable, an additional tract of desert land subject to the provisions of such acts, as hereby amended, and section 7 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934, as amended (48 Stat. 1269; 1272; 43 U. S. C., sec. 315f). Such additional tract shall not, together with the original entry, exceed 320 acres. The holder of an additional entry authorized under this section shall comply with all the requirements of the desert-land law on the lands embraced by such additional entry.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING LAWS RELATING TO TIMBER AND STONE ON PUBLIC DOMAIN

The Clerk called the bill (H. R. 4894) to repeal certain laws relating to timber and stone on the public domain.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GAVIN. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. ENGLE. Mr. Speaker, this bill repeals certain obsolete laws that have been on the books but are dead letters. The purpose of the bill is explained in the committee report, which says:

The purpose of this bill is to repeal certain outmoded provisions relating to disposals of land under the timber and stone laws. Its enactment is requested, and the reasons therefor specified, in the following executive communication from the Department of the Interior.

In other words, the Department sent up and asked us to take out some obsolete laws relating to the disposal of these particular materials.

Mr. GAVIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, subject to valid existing rights and claims, sections 1 to 3, inclusive, of the act of June 3, 1878 (20 Stat. 89), as amended (43 U. S. C., secs. 311, 312, and 313), are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING AGRICULTURAL ENTRIES UNDER NONMINERAL LAND LAWS

The Clerk called the bill (H. R. 1844) to amend the acts authorizing agricultural entries under the nonmineral land laws of certain mineral lands in order to increase the limitation with respect to desert entries made under such acts to 320 acres.

The SPEAKER pro tempore. This bill appears to be the same as the bill that was just passed.

Mr. ENGLE. I desire to have the Senate bill passed, and then I would move to vacate the action taken on H. R. 1844, and have that laid on the table.

The SPEAKER pro tempore. The Senate bill has already been passed.

Without objection, this bill will be laid on the table.

There was no objection.

ERECTION OF MEMORIAL GIFT FROM GOVERNMENT OF VENEZUELA

The Clerk called the resolution (H. J. Res. 232) authorizing the erection of a memorial from the Government of Venezuela.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the Secretary of the Interior is authorized to accept, on behalf of the Government of the United States, a statute of the liberator, Simon Bolivar, to be erected on public grounds, under the administration of the Secretary of the Interior, as a gift to the Government of the United States from the Government of Venezuela as a token of friendship.

SEC. 2. The design and site of such statute shall be approved by the Secretary of the Interior, the National Capital Planning Commission, and the Commission of Fine Arts, and the United States shall be put to no expense in or by the erection of this statute.

SEC. 3. (a) The authority conferred pursuant to this joint resolution shall lapse unless the erection of such statute is commenced within 5 years after the date of the passage of this joint resolution.

(b) All acts or parts of acts inconsistent herewith are hereby repealed to the extent of such inconsistencies.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEDICATING LEE MANSION AS A PERMANENT MEMORIAL TO ROBERT E. LEE

The Clerk called the resolution (S. J. Res. 62) dedicating the Lee Mansion in Arlington National Cemetery as a permanent memorial to Robert E. Lee.

There being no objection, the Clerk read the resolution, as follows:

Whereas the 9th day of April 1955 is the 90th anniversary of the Appomattox cessation of hostilities between our States; and

Whereas of the two great figures therein involved, one, Gen. Ulysses S. Grant, has been highly honored by becoming President of the United States, but the other, Robert E. Lee, has never been suitably memorialized by the National Government; and

Whereas Robert E. Lee had graduated from West Point, dedicated himself to an Army career, and became a colonel in the United States Army, then the commander of the Confederate forces, attained world renown as a military genius, and after Appomattox fervently devoted himself to peace, to the reuniting of the Nation, and to the advancement of youth education and the welfare and progress of mankind, becoming president of the Washington and Lee University at Lexington, Va.; and

Whereas the desire and hope of Robert E. Lee for peace and unity within our Nation has come to pass in the years since his death, and the United States of America now stands united and firm, indivisible, and unshakable; and

Whereas Public Resolution No. 74, 68th Congress, approved March 4, 1925, provided for the physical restoration of the Lee mansion but did not dedicate the same as a permanent memorial to Robert E. Lee: Now, therefore, be it

Resolved, That the Congress of the United States, at this anniversary time, does hereby pay honor and tribute to the everlasting memory of Robert E. Lee, whose name will ever be bright in our history as a great military leader, a great educator, a great American, and a truly great man through the simple heritage of his personal traits of high character, his grandeur of soul, his unfailing strength of heart; and be it further

Resolved, That the Congress of the United States does hereby express its humble gratitude to a kind providence for blessing our Nation with leaders of true greatness who, like Robert E. Lee, have been able to see beyond their times, and by whose vision, guidance, and wisdom this Nation has gone forward to a place of world leadership as the unfaltering and powerful champion of peace, liberty, and justice; and be it further

Resolved, That the Lee Mansion in the Arlington National Cemetery, Va., is hereby dedicated as a permanent memorial to Robert E. Lee, and the Secretary of the Interior is authorized and directed to erect on the aforesaid premises a suitable memorial plaque.

With the following committee amendment:

Page 3, line 4, strike out all of lines 4, 5, 6, 7, and 8, and insert:

"*Resolved*, That the magnificent manor house situated in its prominent position at the brow of a hill overlooking the Potomac River in Arlington National Cemetery, and popularly known as Lee Mansion, be officially designated as the Custis-Lee Mansion, so as to give appropriate recognition to the illustrious Virginia family in which General Lee found his wife, and that the Custis-Lee Mansion is hereby dedicated as a permanent memorial to Robert E. Lee, and the Secretary of the Interior is authorized and directed to erect on the aforesaid premises a suitable memorial plaque, and to correct governmental records to bring them into compliance with the designation authorized by this joint resolution."

The committee amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEXAS CITY TIN SMELTER

The Clerk called the resolution (S. Con. Res. 26).

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that, pursuant to the provisions and authority of Public Law 125, 80th Congress, as amended, the Government tin smelter at Texas City, Tex., shall be continued in operation until June 30, 1956, and so long thereafter as may be hereafter authorized by the Congress.

SEC. 2. The President is hereby requested to have conducted a study and investigation for the purpose of recommending the most feasible methods of maintaining a permanent domestic tin-smelting industry in the United States; and, in connection with such study and investigation, the Federal Facilities Corporation, or any other designee of the President, is requested to show the plant and facilities to any interested persons and to provide them with all necessary and appropriate information within the limits of security considerations upon which to base appraisals and to formulate proposals to the Government for the future operation of the smelter by the Government or under private lease or ownership arrangements.

SEC. 3. The President is requested to report to the Congress prior to March 31, 1956, the findings of this study and his recommendations with respect to the future operation of the tin smelter.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. R. 619 PROVIDING FOR THE INSCRIPTION OF "IN GOD WE TRUST" ON ALL UNITED STATES CURRENCY AND COINS

The Clerk called the bill (H. R. 619) to provide that all United States currency shall bear the inscription "In God We Trust."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I think this is meritorious legislation, but I wonder if American currency with the inscription "In God We Trust" will be acceptable in Communist Poland in payment for the canned hams that are pouring into this country in competition with American farmers and packers.

I withdraw my reservation of objection, Mr. Speaker.

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, H. R. 619, which provides for the inscription of "In God We Trust" on all United States currency and coins is here today because of the kindness of the Committee on Banking and Currency in scheduling and hearing this legislation. I particularly want to thank and commend the distinguished chairman of that committee, the gentleman from Kentucky [Mr. SPENCE], and, in fact, all of the members of that committee, for their enthusiastic support of this measure, which has made expeditious handling of the bill possible.

I wish to express my deep gratitude to Congressman HERMAN EBERHARTER and Congressman OREN HARRIS, who gave splendid testimony in behalf of the principles of this legislation at the hearing and who, themselves, introduced H. R. 4661, H. R. 6174, and H. R. 5150, respectively, along these lines, and I wish to express my deepest gratitude for their splendid testimony. In a very real sense they are cosponsors of the legislation before the House today.

"In God We Trust" has never been used on United States currency. H. R. 619 pioneers in requiring that it be on our paper money. However, this bill also completes the evolution of the use of this inscription on our coins by requiring for the first time that it be on all United States coins. Since 1908, use of the motto on most coins is mandatory, but there are certain coins as to which there is no such requirement. By administrative action this motto is on these coins as well as on those for which it is mandatory. However, there is need for a clear requirement, such as that in H. R. 619, that the motto continue to be inscribed on all our coins.

After the introduction of H. R. 619, I discovered for the first time that there was a need for statutory requirement as to the inclusion of the motto on coins; and I, therefore, contacted the Treasury Department and urged them to include some remark on this matter in their report on the bill. The Treasury Department complied with the request, and in its favorable report on this bill stated that it has no objection to the inclusion of coins in this legislation as well as currency.

The report on this bill contains a scholarly discussion of the use on coins of inscriptions of spiritual inspiration. Nothing can be more certain than that our country was founded in a spiritual atmosphere and with a firm trust in God. While the sentiment of trust in God is universal and timeless, these particular four words "In God We Trust" are indigenous to our country. As far as the record shows, these precise words are first urged as our proper motto by Secretary of the Treasury S. P. Chase, who was later Chief Justice of the United States Supreme Court. In 1861, before choosing these precise words, he said:

No nation can be strong except in the strength of God, or safe except in His defense. The trust of our people in God should be declared on our national coins.

Later he directed that these specific words "In God We Trust" be placed upon United States coins.

I sincerely hope that the Senate will give its prompt approval to this proposal. In these days when imperialistic and materialistic communism seeks to attack and destroy freedom, we should continuously look for ways to strengthen the foundations of our freedom. At the base of our freedom is our faith in God and the desire of Americans to live by His will and by His guidance. As long as this country trusts in God, it will prevail. To serve as a constant reminder of this truth, it is highly desirable that our currency and coins should bear these inspirings words, "In God We Trust."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all currency of the United States issued more than 6 months after the date of the enactment of this act shall bear, at such place or places thereon as the Secretary of the Treasury may determine to be appropriate, the inscription "In God We Trust."

With the following committee amendment:

Strike out all after the enacting clause and insert "That at such time as new dies for the printing of currency are adopted in connection with the current program of the Treasury Department to increase the capacity of presses utilized by the Bureau of Engraving and Printing, the dies shall bear, at such place or places thereon as the Secretary of the Treasury may determine to be appropriate, the inscription 'In God We Trust', and thereafter this inscription shall appear on all United States currency and coins."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN PROPERTY UNDER JURISDICTION OF THE HOUSING AND HOME FINANCE ADMINISTRATOR TO THE STATE OF LOUISIANA

The Clerk called the bill (H. R. 5512) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I notice in the first place that there is no report from the Bureau of the Budget. However, that is not the main purpose of my reserving the right to object.

I wonder if this bill has been checked by the Department of Health, Education, and Welfare, which has to do with the Hospital Surveys and Construction Act, and if they approve this matter of providing that any allotments available under the Hospital Surveys and Construction Act may be used toward the purchase of this property?

Mr. LONG. Does the gentleman mean the Housing Administrator?

Mr. BYRNES of Wisconsin. No. I can see they want to get rid of this property, but as I understand this bill, it provides for a purchase price of $300,000 for the property, and that there can be offset against this $300,000 any allotment to the State of Louisiana for hospital construction under the provision of the Hospital Surveys and Construction Act. The Housing and Home Finance Administrator has nothing to do with the administration of that particular act. I am wondering if the agency that does have the responsibility of administering the Hospital Surveys and Construction Act approves of the use of the allotment in this manner.

Mr. LONG. We have had no objection from any Department. We have checked every place we could. We had some discussion about the use of the Hill-Burton money, and that is all. Nobody objected, as far as I know.

Mr. BYRNES of Wisconsin. One further question. Is it the understanding that this housing development will be converted into hospital facilities?

Mr. LONG. Yes, sir; absolutely. It is now a part of the hospital land that was leased from the Government for use during the emergency.

Mr. BYRNES of Wisconsin. Hence the justification for using Hill-Burton funds toward the purchase of the property?

Mr. LONG. That is right.

Mr. BYRNES of Wisconsin. I withdraw my reservation of objection, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Housing and Home Finance Administrator shall convey all right, title, and interest of the United States in and to the projects identified as LA–16011 and LA–16012, constructed under the provisions of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C., sec. 1521, and the following), on real property constituting a part of the grounds of the Central Louisiana Hospital for the Insane leased from the State of Louisiana. Such conveyance is to be made in consideration of the payment of $300,000 by the State of Louisiana in three equal annual installments, the first such installment to be paid within six months after the date of enactment of this act.

SEC. 2. Any allotment available to the State of Louisiana for hospital construction under the provisions of the Hospital Survey and Construction Act, as amended (42 U. S. C., sec. 291, and the following), may be applied by the State of Louisiana to the purchase price established in the first section of this act.

With the following committee amendments:

Page 1, line 4, after the word "convey", insert "to the State of Louisiana."

Page 2, line 6, after, after "installments", strike out ", the first such installment to be paid within 6 months after the date of enactment of this act."

Page 2, line 14, insert:

"SEC. 3. The provisions of this act shall be effective only if the first installment is paid within 6 months after the date of approval of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN WAR HOUSING PROJECTS TO THE CITIES OF WARWICK AND HAMPTON, VA.

The Clerk called the bill (S. 755) to authorize the conveyance of certain war-housing projects to the city of Warwick, Va., and the city of Hampton, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provisions of law, the Housing and Home Finance Administrator is authorized to sell and convey at fair market value as determined by him on the basis of an appraisal made by an independent real estate expert (a) (1) to the city of Warwick, Va., or to a public housing authority for such city, or to any agency or corporation, established or sponsored in the public interest by such city, all of the right, title, and interest of the United States in and to War Housing Project VA-44061, and that portion of War Housing Project VA-44067 which lies within the limits of said city of Warwick, and (2) to the city of Hampton, Va., or to a public housing authority for such city, or to any agency or corporation, established or sponsored in the public interest by such city, all of the right, title, and interest of the United States in and to that portion of War Housing Project VA-44067 which lies within the limits of the city of Hampton, or (b) to the cities of Warwick and Hampton, Va., jointly, or to a public housing authority for such cities, or to any agency or corporation jointly established or sponsored in the public interest by such cities, all of the right, title, and interest of the United States in and to both or either of the projects mentioned in (1) and (2) above. Any sale pursuant to this authorization shall be on such terms and conditions as the Administrator shall determine, and the amount received for each project shall be reported by the Administrator to the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House of Representatives.

SEC. 2. The provisions of this act shall be effective only during the period ending 6 months after the date of approval hereof.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CERTAIN PROPERTY TO WYOMING

The Clerk called the bill (H. R. 1843) authorizing the Secretary of the Interior to transfer certain property of the United States Government—in the Wyoming National Guard Camp Guernsey target and maneuver area, Platte County, Wyo.—to the State of Wyoming.

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the bill S. 266, an identical Senate bill, be substituted for the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to transfer to the State of Wyoming certain property of the United States Government situated near Lake Guernsey, Platte County, Wyo., described as follows:

Lots 1, 2, 3, and 4 of section 5; lots 1, 2, 3, 5, and 6, east half southwest quarter, west half southeast quarter section 6; northwest quarter northeast quarter, west half southwest quarter, southeast quarter southwest quarter section 17; northeast quarter, north half northwest quarter, southeast quarter northwest quarter, northeast quarter southwest quarter, north half southeast quarter section 20; all in township 28 north, range 66 west, sixth principal meridian.

Southwest quarter northwest quarter, section 1; lots 3 and 4, west half southeast quarter, section 3; lots 1, 2, 3, and 4, south half north half section 4; south half southwest quarter section 5; lots 1, section 7; southeast quarter northeast quarter section 13; lots 2 and 3, northeast quarter southwest quarter section 18; southeast quarter northeast quarter, northwest quarter southeast quarter section 24; all in township 27 north, range 67 west, sixth principal meridian.

South half southwest quarter section 2; northwest quarter southwest quarter, northeast quarter southeast quarter, south half south half section 3; northwest quarter northeast quarter, south half northeast quarter section 8; northwest quarter northeast quarter, northeast quarter northwest quarter, south half north half, north half south half section 9; northwest quarter, north half southwest quarter, southeast quarter southwest quarter section 10; north half northwest quarter, southwest quarter northwest quarter, northwest quarter southwest quarter section 14; northeast quarter southwest quarter southwest quarter, north half southeast quarter, southwest quarter southeast quarter section 15; northeast quarter, northeast quarter southeast quarter section 17; northeast quarter southeast quarter section 20; west half southwest quarter section 21; north half northwest quarter, southeast quarter southeast quarter section 22; southwest quarter northeast quarter, northeast quarter northwest quarter, south half northwest quarter, southwest quarter section 23; east half northwest quarter section 24; northwest quarter southeast quarter section 25; east half northwest quarter, northeast quarter southwest quarter section 27; southwest quarter northeast quarter, southwest quarter, west half southeast quarter section 28; northeast quarter southeast quarter section 29; southeast quarter southeast quarter section 31; all of section 33; northeast quarter of section 35; all in township 28 north, range 67 west, sixth principal meridian; consisting of approximately five thousand seven hundred and eighty acres. Such property shall be conveyed, together with all buildings, improvements thereon, and all appurtenances and utilities belonging or appertaining thereto, and the Secretary of the Interior shall execute and deliver in the name of the United States in its behalf any and all contracts, conveyances, or other instruments as may be necessary to effectuate the said transfer: *Provided*, That there shall be reserved to the United States all minerals, including oil and gas, in said lands.

Such conveyance shall contain a provision that said property shall be used primarily for training of the National Guard or Air National Guard and for other military purposes, and that, if the State of Wyoming shall cease to use the property so conveyed for such purposes, then title thereto shall immediately revert to the United States and, in addition, all improvements made by the State of Wyoming during its occupancy shall vest in the United States without payment of compensation therefor.

Such conveyance shall contain the further provision that whenever the Congress of the United States shall declare a state of war or other national emergency, or the President declares a state of emergency to exist and upon the determination by the appropriate Secretary that the property so conveyed is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made by the State of Wyoming, for the duration of such state of war or other national emergency, and upon the cessation thereof plus six months said property is to revert to the State of Wyoming together with any or all facilities and improvements, appurtenances, and utilities thereon or appertaining thereto.

SEC. 2. (a) Where lands described to be conveyed herein are being used under valid outstanding United States grazing leases, the Secretary of the Interior shall convey the lands only after he finds suitable provision, equitable to such lessees, has been made to compensate them for losses resulting from the use of the lands for the purposes of this act and to assure them appropriate preference to such future use of the lands for grazing as may be consistent with the purposes of this act.

(b) The Secretary of the Interior, at the earliest possible date after the execution of the conveyance authorized by this act, shall issue a permit to the State of Wyoming allowing the State the free use of the lands described below for the purposes described in the first section of this act and subject to adequate protection of the lands for Federal purposes:

Lots 1, 2, 3, and 4, southwest quarter northeast quarter, southeast quarter northwest quarter, northwest quarter southeast quarter, southeast quarter southeast quarter section 1; lots 1, 2, 3, and 4, south half northwest quarter, east half southwest quarter, southwest quarter southeast quarter section 2; northeast quarter, northwest quarter southeast quarter section 10; north half northeast quarter, southwest quarter northeast quarter section 11; east half northeast quarter, southwest quarter northeast quarter, west half southeast quarter section 12; northwest quarter northeast quarter section 13, all in township 27 north, range 67 west, southeast quarter section 35, township 28 north, range 67 west, sixth principal meridian, State of Wyoming.

SEC. 3. The State of Wyoming may dispose of interests and rights in the land by lease, license and easement, provided that the exercise of such rights and uses shall not impair the use of the land for the purposes set out in the first section of this act. Revenues derived from such transactions by the State of Wyoming shall be expended by the State for the protection, maintenance, and preservation of such land for the purposes expressed in this act and for the protection and preservation of the natural resources thereon. The United States and the State of Wyoming shall share equally in any residual revenue beyond the cost for those purposes. All moneys to which the United States is entitled under this act shall be deposited in the Treasury as miscellaneous receipts. The Secretary of the Interior and the Secretary of the Army are authorized to enter into any necessary agreements with the proper authorities of the State of Wyoming for the purpose of carrying out the provisions of this act.

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

A motion to reconsider, and a similar House bill (H. R. 1843) were laid on the table.

DEPOSIT OF PHOTOGRAPHS IN LIEU OF CERTAIN PUBLISHED WORKS

The Clerk called the bill (H. R. 5876) to amend the copyright law to permit, in certain classes of works, the deposit of photographs or other identifying reproductions in lieu of copies of published works.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 13 of title 17, United States Code, is amended to read as follows:

"§ 13. Deposit of copies after publication; action or proceeding for infringement

"After copyright has been secured by publication of the work with the notice of copyright as provided in section 10 of this title, there shall be promptly deposited in the Copyright Office or in the mail addressed to the Register of Copyrights, Washington, D. C., two complete copies of the best edition thereof then published, or if the work is by an author who is a citizen or subject of a foreign state or nation and has been published in a foreign country, one complete copy of the best edition then published in such foreign country, which copies or copy, if the work be a book or periodical, shall have been produced in accordance with the manufacturing provisions specified in section 16 of this title; or if such work be a contribution to a periodical, for which contribution special registration is requested, one copy of the issue or issues containing such contribution; or if the work belongs to a class specified in subsections (g), (h), (i) or (k) of section 5 of this title, and if the Register of Copyrights determines that it is impracticable to deposit copies because of their size, weight, fragility, or monetary value he may permit the deposit of photographs or other identifying reproductions in lieu of copies of the work as published under such rules and regulations as he may prescribe with the approval of the Librarian of Congress; or if the work is not reproduced in copies for sale there shall be deposited the copy, print, photograph, or other identifying reproduction provided by section 12 of this title, such copies or copy, print, photograph, or other reproduction to be accompanied in each case by a claim of copyright. No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this title with respect to the deposit of copies and registration of such work shall have been complied with."

With the following committee amendment:

Page 1, line 5, after the word "publication", strike out the comma and insert a semicolon.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLIGHT TO AVOID PROSECUTION FOR ARSON

The Clerk called the bill (H. R. 3233) to amend title 18 of the United States Code, so as to make it a criminal offense to move or travel in interstate commerce with intent to avoid prosecution, or custody or confinement after conviction, for arson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1073 of title 18 of the United States Code is amended by inserting "arson punishable as a felony", after "weapon."

SEC. 2. The amendment made by the first section of this act shall take effect on the 30th day after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND TITLE 18 OF UNITED STATES CODE

The Clerk called the bill (H. R. 3333) to amend title 18 of the United States Code relating to the mailing and transportation of obscene matter.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the bill S. 600, a similar Senate bill, be substituted for the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the first paragraph of section 1461 of title 18 of the United States Code is amended to read as follows:

"Every obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance; and * * *."

SEC. 2. The fifth paragraph of section 1461 of title 18, United States Code, reading "Every letter, packet, or package, or other mail matter containing any filthy, vile, or indecent thing, device, or substance; and", is hereby repealed.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Strike out all after the enacting clause and insert the following: "That the first paragraph of section 1461 of title 18 of the United States Code is amended to read as follows:

"'Every obscene, lewd, lascivious, indecent, filthy or vile article, matter, thing, device, or substance; and—'.

"SEC. 2. The fifth paragraph of section 1461 of title 18, United States Code, reading 'Every letter, packet, or package, or other mail matter containing any filthy, vile or indecent thing, device, or substance; and', is hereby repealed.

"SEC. 3. Chapter 71 of title 18 of the United States Code is amended by inserting, immediately following section 1464 of such chapter, a new section, to be designated as section 1465, and to read as follows:

"'§ 1465. Transportation of obscene matters for sale or distribution

"'Whoever knowingly transports in interstate or foreign commerce for the purpose of sale or distribution any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or other article capable of producing sound or any other matter of indecent or immoral character, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"'The transportation as aforesaid of two or more copies of any publication or two or more of any article of the character described above, or combined total of five such publications and articles, shall create a presumption that such publications or articles are intended for sale or distribution, but such presumption shall be rebuttable.

"'When any person is convicted of a violation of this act, the court in its judgment of conviction may, in addition to the penalty prescribed, order the confiscation and disposal of such items described herein which were found in the possession or under the immediate control of such person at the time of his arrest'.

"SEC. 4. The analysis of chapter 71 of title 18 of the United States Code is amended by inserting, immediately after and underneath item 1464, as contained in such analysis, the following new item:

"'1465. Transportation of obscene matters for sale or distribution'."

The amendment was agreed to.

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

The title was amended so as to read: "To amend title 18 of the United States Code relating to the mailing and transportation of obscene matter."

A motion to reconsider and a similar House bill (H. R. 3333) were laid on the table.

OREGON AND CALIFORNIA COMPACT RELATING TO KLAMATH RIVER

The Clerk called the bill (H. R. 3587) granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of the Congress is hereby given to the States of Oregon and California to negotiate and enter into a compact, providing for an equitable apportionment between the said States of the waters of the Klamath River and its tributaries, including Lost River which is not naturally tributary to the Klamath River but which is an interstate stream within the Klamath Basin which has become tributary to Klamath River by virtue of a diversion canal constructed by the Bureau of Reclamation, United States Department of the Interior, and for matters incidental thereto, upon the condition that one qualified person, not a resident of either Oregon or California, who shall be appointed by the President of the United States, shall participate in said negotiations as a representative of the United States and shall make a report to the Congress of the proceedings and of any compact so negotiated. Said compact shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been ratified by the legislature of each of the States aforesaid and approved by the Congress of the United States.

With the following committee amendments:

Page 2, line 7, following the words "report to", insert the words "the President and."

Page 2, line 12, strike the word "approved" and insert in lieu thereof the words "consented to."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That completes the call of the Consent Calendar.

THE ANNUAL DEMOCRATS VERSUS REPUBLICANS BASEBALL GAME AT GRIFFITH STADIUM, WASHINGTON, D. C.

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, I take this opportunity to announce to the Members of the House, especially to those on my left, that there is going to be the usual debacle out at Griffith Stadium this evening when the Democrats will again trounce the Republicans in the annual charity baseball game.

Mr. HARRISON of Virginia. Mr. Speaker, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Virginia.

Mr. HARRISON of Virginia. The gentleman is the manager of the Democratic baseball team?

Mr. HERLONG. Yes.

Mr. HARRISON of Virginia. May we anticipate that the gentleman will be as alert tonight in presenting the Democratic side as he is at this time?

Mr. HERLONG. Well, the game cannot be played until we get there.

Mr. HARRISON of Virginia. The gentleman will be there tonight?

Mr. HERLONG. If the gentleman will permit me to proceed, if we are not sabotaged by our own side tonight any more than I am right now, we will be alert enough to win.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Will the CIO or the Teamster's Union umpire this game?

Mr. HERLONG. The game is going to be umpired properly, certainly more properly than the game will be played, I am sure.

Mr. HOFFMAN of Michigan. But the gentleman ought to know what dirty work he is up to.

Mr. HERLONG. There are two sides engaged in this ball game, as the gentleman knows. May I say that the Democrats are going into the game tonight under somewhat of a handicap because, while in football the weight of the players has a great deal to do with how the game comes out, the heaviest teams usually win, in baseball, however—and in this game especially—weight does not amount to so much but age amounts to a great deal. I saw in the papers this morning the ages of the respective players and we on our side are out-aged about 3 or 4 months per man. So we may be in difficulty from that standpoint. We do have experience, however, and I believe that experience is going to stand us in good stead.

To the Members on my left may I say that this is a good opportunity for you to come out and see once more former "Iron Man" now "Four-and-a-half-inning" DAVIS go out on the mound for you. I am sure that the gentleman will do well for part of the time at least. We have a fine team on our side. I want to give the Democrats every assurance that we will win. You can make your preparations to clean up because we are going to take care of the Republicans again tonight.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I have noticed some stories about a black cat having run out on the diamond last year. I just wonder if that black cat's name was SIEMINSKI and if the cat came from New Jersey? Do we still have him?

Mr. HERLONG. We still have him. He is going to throw his cap out there and when he does at least one very prominent member of the Republican team will faint immediately.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Can we expect that the manager of the Democratic team will be called in as a pinch-hitter again?

Mr. HERLONG. Only in the event we agree to lose the game in advance.

Mr. CEDERBERG. Can we expect the same results?

Mr. HERLONG. Naturally.

Mr. CEDERBERG. I thank the gentleman.

Mr. HERLONG. I want to say that in the event of rain tonight the game will be played tomorrow night at the same time in Griffith Stadium.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Speaker, weather permitting and the condition of the players permitting also we will have our annual baseball game tonight.

For the benefit of the new Members may I say that this game is sponsored by the Evening Star in connection with its general drive to raise funds to send underprivileged children to summer camp. It is a worthwhile objective and program and merits the support of everybody.

I would urge, therefore, that every Member who can, purchase tickets and come to the game. Certainly the players merit your support, those people who have been turning out week in and week out, year in and year out. As a matter of fact, they have done so at considerable personal sacrifice of time and energy and I might say on occasions bloodshed. No year has passed without several of the Members having broken fingers, broken arms, and broken ankles. We kept no account or record of the sprained backs, the sore arms, bruised legs, or sore heads. We can promise you, maybe, some good baseball and some bad baseball, but most of all some very funny baseball. This year the Republicans anticipate playing with both hands. Last year and the year before we played with one hand tied behind our backs, and for four innings our iron man from Wisconsin, GLENN DAVIS, succeded in holding the opposition scoreless and hitless. Then we tried playing without any hands, and they scored a few runs. I urge you all to come out. The objective, as I have indicated, is a worthwhile one. You will have a lot of fun. Come on out.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first bill on the calendar.

GEORGIA KAOLIN CO.

The Clerk called the resolution (H. Res. 250) providing that the bill H. R. 6401, and all accompanying papers, shall be referred to the United States Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 6401) entitled "A bill for the relief of the Georgia Kaolin Co.," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal and equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to; and a motion to reconsider was laid on the table.

MR. AND MRS. DERFERY WILLIAM WRIGHT

The Clerk called the bill (H. R. 1015) for the relief of Mr. and Mrs. Derfery William Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Derfery William Wright, Amherst, Va., the amount which the Administrator of Veterans' Affairs certifies to him would have been payable to them as death compensation under part I of Veterans Regulation No. 1 (a) if their application therefor had been filed with the Administrator of Veterans' Affairs within the 1-year period beginning on December 17, 1944 (the date of death of their son, Herman P. Wright), for the period beginning on such date, and ending on the date they began to receive such death compensation: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the name "Wright", insert "father and mother of Herman P. Wright, deceased of."

Page 1, line 9, strike out "if their application therefor had been filed with the Administrator of Veterans' Affairs within the one-year period beginning on December 17, 1944 (the date of death of their son, Herman P. Wright), for the period beginning on such date, and ending on the date they began to receive such death compensation" and insert in lieu thereof "for the period from February 1948 to the date which they began receiving such death compensation."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARGARET A. SWIFT

The Clerk called the bill (H. R. 1219) for the relief of the estate of Mrs. Margaret A. Swift.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mrs. Margaret A. Swift, formerly of San Francisco, Calif., the sum of $1,399.92, in full settlement of all claims of such estate against the United States for the amount of the check for pension due which arrived at the post office of the addressee, Mrs. Margaret A. Swift, after her death and was returned to the Treasury for cancellation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent of attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEKSANDRA BORKOWSKI

The Clerk called the bill (H. R. 1447) for the relief of Aleksandra Borkowski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of Public Law 622, 79th Congress, the Secretary of the Treasury be, and he is hereby authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,900 to Mrs. Aleksandra Borkowski, of Brooklyn, N. Y., in full settlement of all claims of the said Mrs. Aleksandra Borkowski, as widow of Wladyslaw Borkowski, to that amount of money being held in miscellaneous receipts account of the Treasury Department. Such sum represents the balance of compensation payments due said Wladyslaw Borkowski held during his internment in Poland. Only $1,000 of the total sum of $2,900 was paid Wladyslaw Borkowski prior to his death and the balance, payment for which this bill provides, was held only because allegedly no claim was filed by Wladyslaw Borkowski therefor: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ESTHER REED MARCANTEL

The Clerk called the bill (H. R. 1488) for the relief of Mrs. Esther Reed Marcantel.

There being no objection, the clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Esther Reed Marcantel, Oberlin, Allen Parish, La., the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Esther Reed Marcantel against the United States arising out of the death of her late husband John Dorcena Marcantel, who was killed on December 26, 1944, as a result of an accident involving a United States Army truck in Oberlin, La., at the intersection of United States Highway No. 165 and Louisiana State Highway No. 25: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$25,000" and insert "$6,134.12."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE ALBERT BAILLY

The Clerk called the bill (H. R. 1708) for the relief of Eugene Albert Bailly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the lapse of time or any other provision of law to the contrary, Eugene Albert Bailly, service number 110 15 52, of Jersey City, N. J., who served in the United States Navy during World War I and received a discharge under honorable conditions from such service pursuant to the action of a board of review, discharges and dismissals, shall be entitled to the benefits of the World War I Adjusted Compensation Act, as amended, and the Adjusted Compensation Payment Act, 1936, as amended, if he files application therefor within 90 days after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. BOHNER

The Clerk called the bill (H. R. 1739) for the relief of William J. Bohner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (5 U. S. C. 765–769), are hereby waived in favor of William J. Bohner for compensation for disability caused by an injury allegedly sustained by him on May 14, 1945, while an employee at the St. Louis Ordnance Plant, Medical Depot, St. Louis, Mo., and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Bureau of Employees' Compensation not later than 6 months after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment, except in the case of such medical or hospitalization expenditures which may be deemed reimbursable.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. CLARENCE M. AUGUSTINE

The Clerk called the bill (H. R. 1963) for the relief of Mr. and Mrs. Clarence M. Augustine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Clarence M. Augustine, of Natick, Mass., the sum of $10,000, representing the amount which the said Mr. and Mrs. Clarence M. Augustine would have received, as beneficiaries under a policy of national service life insurance in the amount of $10,000, if George Augustine, United States Navy, deceased son of the said Mr. and Mrs. Clarence M. Augustine, had applied for and been granted such policy under the provisions of the National Service Life Insurance Act of 1940, had paid premiums, and had designated the said Mr. and Mrs. Clarence M. Augustine as beneficiaries of such policy. The death of the said George Augustine in the Naval Hospital, Memphis, Tenn., 17 days after he reported for duty with the United States Navy, did not permit registry of application for such policy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE DUS

The Clerk called the bill (H. R. 2946) for the relief of Eugene Dus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eugene Dus, Hamburg, N. Y., the sum of $2,000. The payment of such sum shall be in full settlement of all claims of the said Eugene Dus against the United States for damages on account of the loss of his Mercedes-Benz automobile in Germany after it had been impounded by a representative of the United States Military Government in Germany: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$2,000" and insert "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEO E. VERHAEGHE

The Clerk called the bill (H. R. 3027) for the relief of Leo E. Verhaeghe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leo E. Verhaeghe, of Bay City, Mich., the sum of $455.91. Such sums represents the amount of judgment and costs for which Leo E. Verhaeghe was held liable to Thomas R. Wiltse and the General Exchange Insurance Corp. on November 29, 1954, in a civil action in the United States District Court, Eastern District of Michigan, Northern Division. This civil action was the result of an accident which occurred on United States Highway No. 23 in Bay City, Mich., on August 16, 1952, and which involved a United States mail truck driven by Leo E. Verhaeghe, a motor-vehicle employee in the United States Post Office, Bay City, Mich. Such sum shall be paid only on the condition that Leo E. Verhaeghe shall use such sum, or so much thereof as is necessary, to pay such judgment and costs in full: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVELYN HARDY WATERS

The Clerk called the bill (H. R. 3193) for the relief of Evelyn Hardy Waters.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any statute of limitation or lapse of time or any provision of law to the contrary, suit may be instituted within 1 year after the date of enactment of this act by Evelyn Hardy Waters, of Pensacola, Fla., upon her claim against the United States for personal injuries sustained by her as a result of the alleged improper administering of an anesthetic in the course of an operation performed on her August 12, 1948, by the personnel of the naval hospital at Pensacola, Fla. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in the case of tort claims against the United States: *Provided,* That nothing in this act shall be construed as an inference of liability on the part of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY A. SANSONE

The Clerk called the bill (H. R. 3376) for the relief of Mrs. Mary A. Sansone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Mrs. Mary A. Sansone, of 489 Henry Street, Brooklyn, N. Y., in full settlement of all claims against the United States as reimbursement for bond posted for her husband, Zaccaria Sansone: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES H. R. STUMBAUGH

The Clerk called the bill (H. R. 3982) for the relief of James H. R. Stumbaugh.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. R. Stumbaugh, of Pensacola, Fla., the sum of $3,160.46 representing lump-sum leave payment due him upon the termination of his employment outside the continental United States on September 7, 1949: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES C. HAYES

The Clerk called the bill (H. R. 4026) for the relief of James C. Hayes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James C. Hayes, captain, Medical Corps, United States Army, of Passaic, N. J., the sum of $2,192.69. The payment of such sum shall be in full settlement of all claims of the said James C. Hayes against the United States arising out of the destruction of his personal property by fire on June 17, 1953, while such property was being shipped by the United States from Fort Richardson, Alaska, to Fort Sam Houston, Tex. The said James C. Hayes has recovered the maximum of $2,500 allowed under the Military Personnel Claims Act of 1945 and the loss incurred in excess of that amount ($2,192.69) cannot be recovered under that Act: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$2,192.69" and insert in lieu thereof "$880.68."

Page 2, line 4, after the word "amount" strike out "($2,192.69)."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAHZO L. HARRIS

The Clerk called the bill (H. R. 4162) for the relief of Kahzo L. Harris.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kahzo L. Harris of Danville, Va., formerly a captain in the United States Army, the sum of $2,513.81, in full settlement of all claims against the United States for the damages sustained by him on account of the loss of personal property and household goods as a result of fire in his quarters at Camp Breckinridge, Ky., in January 1952, for which he has not heretofore been compensated: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any

contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

P. F. CLAVEAU

The Clerk called the bill (H. R. 4181) for the relief of P. F. Claveau, as successor to the firm of Rodger G. Ritchie Painting & Decorating Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to P. F. Claveau, of Post Office Box 1958, Anchorage, Alaska, as successor to the firm of Rodger G. Ritchie Painting & Decorating Co., the sum of $3,841.45, in full settlement of all claims of the said P. F. Claveau and the said firm of Rodger G. Ritchie Painting & Decorating Co., against the United States for additional compensation under the contract dated June 16, 1953 (No. AF 65(501)-369), between the United States and such firm for the exterior painting of 13 buildings at Elmendorf Air Force Base, Anchorage, Alaska. Such claims are based on additional expenses incurred by the said P. F. Claveau and the said firm of Rodger G. Ritchie Painting & Decorating Co., because of the extra work required of them in the performance of said contract as the result of conditions not set forth in the contract and specifications for such painting and which could not reasonably have been anticipated at the time the said contract was entered into: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. GEORGE H. CRONIN

The Clerk called the bill (H. R. 4634) for the relief of Lt. Col. George H. Cronin, United States Air Force.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Lt. Col. George H. Cronin (Air Force service No. AO-132251) is hereby relieved of all liability to refund to the United States any sums representing certain overpayments for longevity and flying pay made to him during the period beginning August 1, 1942, and ending June 1, 1949. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amount for which liability is relieved by this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY FRANCONE

The Clerk called the bill (H. R. 5871) for the relief of Guy Francone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy Francone, Chicago, Ill., the sum of $500 in full settlement of all claims against the United States for reimbursement in the amount of a departure bond which was posted on September 18, 1950, in connection with the admission on such date of the alien Rocco Morisco, nephew of the said Guy Francone, to the United States as a temporary visitor: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL E. ARROYO

The Clerk called the bill (H. R. 5951) for the relief of Samuel E. Arroyo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Samuel E. Arroyo, 2929 Sunrise Avenue, Corpus Christi, Tex., the sum of $1,411.84, in full satisfaction and final settlement of his claim against the United States for destruction of his household goods by fire while in Government storage at the port of Whittier, Alaska, incident to his change of station in March 1953, from a post in Alaska to a post in the State of Washington while on active duty in the Army of the United States, such amount being in addition to the amount of $2,500 already administratively paid to him under the provisions of the Military Personnel Claims Act of 1945, as amended (31 U. S. C. 222c): *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEMORAN J. PIERRE, JR.

The Clerk called the bill (H. R. 6082) for the relief of Nemoran J. Pierre, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. O. (jg) Nemoran J. Pierre, Jr., of 2036 Monroe Lane, Gary, Ind., the sum of $1,293.65 in full settlement of all claims against the United States for the damages sustained by him on account of the destruction of his household goods and personal effects when the house occupied by him and his family under a private rental agreement at Hayama, Honshu, Japan, was destroyed by fire on November 15, 1953, for which he has not heretofore been compensated: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or agents or attorney or attorneys, on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. WILLIAM S. AHALT AND OTHERS

The Clerk called the bill (H. R. 6281) for the relief of Capt. William S. Ahalt and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That relief is hereby granted the various disbursing officers of the United States hereinafter mentioned in amounts shown herein, or in such lesser amounts as may be outstanding on the date of enactment of this act, said amounts representing amounts of erroneous payments made by said disbursing officers of public funds for which said officers are accountable as listed in and under the circumstances described in identical letters of the Secretary of the Army to the Speaker of the House of Representatives and to the President of the Senate, and that the Comptroller General of the United States is hereby authorized and directed to credit in the accounts of following officers of the Army, Air Force, Navy, and Marine Corps the amounts set forth opposite their names, or such lesser amounts as may be outstanding on the date of enactment of this act: Capt. William S. Ahalt, Finance Corps (now major), Army, $3,817.86; Lt. Col. Joseph Marcel Barrette, Finance Corps, Army (now relieved from active duty), $2,580.82;

Maj. Richard J. Bearr, Finance Corps, Army (now lieutenant colonel), $301.60; Col. Jose R. Berrios, Finance Corps, Army (now relieved from active duty), $1,595.84; 1st Lt. Ralph M. Bounds, Finance Corps, Army (now captain), $166.76; Lt. Col. Vernon Morgan Budge, Finance Corps, Army (now colonel), $3,356.44; Lt. Col. Henry Graper Buck, Finance Corps, Army (now retired), $4,852.81; Capt. John James Carroll, Finance Corps, Army (now major), $2,417.74; Col. James Clarke Carter, Finance Corps, Army (now relieved from active duty), $666.49; Lt. Col. Buster Cornett, Finance Corps, Army, $340.50; Col. Richard David Daugherity, Finance Corps, Army (now retired), $8,637.50; Maj. Elmer W. Dean, Finance Corps, Army (now lieutenant colonel), $1,913.47; Col. August William Farwick, Finance Corps, Army, $3,469.40; Lt. Col. Ocie A. Coleman, Finance Corps, Army, $429.09; Lt. Col. Edwin Harding, Jr., Finance Corps, Army $2,932.27; Capt. Robert Edward Hastings, Finance Corps, Army (now relieved from active duty), $2,231.25; Lt. Col. Nelson Blaine Hill, Finance Corps, Army, $1,642.88; Lt. Col. Benjamin Heath Johnston, Finance Corps, Army, $6,783.43; Maj. Harold Wesley Kasserman, Finance Corps, Army, $1,720.67; Col. Joseph C. Kovarik, Finance Corps, Army (now retired), $1,722.27; Lt. Col. Charles P. Law, Finance Corps, Army (now colonel), $601.83;

Col. Columbus Bierce Lenow, Finance Corps, Army (now retired), $968.98; Maj. William Harry Lord, Finance Corp, Army (deceased), $775.14; Harry E. Luttrell, special disbursing agent, Army, $450; Lt. Col. John M. Lydick, Finance Corps, Army (now colonel), $2,965.73; Maj. Clyde L. Martin, Finance Corps, Army (now lieutenant colonel), $2,826.06; Maj. Anthony Gaul Merritt, Finance Corps, Army (now lieutenant colonel), $1,087.40; Col. Joe Floyd Miner, Finance Corps, Army, $1,310.46; Capt. Robert E. Mulcahy, Finance Corps, Army (now major), $320; Lt. Col. Louis C. Mulvaney, Finance Corps, Army, $325.94; Lt. Col. Walter Knox Payne, Finance Corps, Army (now retired), $720.90; Lt. Col. Quenna A. Pearson, Finance Corps, Army, $75; Lt. Col. Merrill William Phoenix, Finance Corps, Army, $2,386.44; Lt. Col. George P. Price, Finance Corps, Army, $807.17; Maj. Paul Lee Rodgers, Finance Corps, Army (now lieutenant colonel), $370.10; Lt. Col. Stilson Hilton Smith, Jr., Finance Corps, Army (now colonel), $11,043.66; Capt. Donald M. Soliday, Finance Corps, Army, $2,326.61; Col. Wallace Chace Steiger, Finance Corps, Army (now retired), $2,377.88; Col. Grover A. Summa, Finance Corps, Army (now retired), $1,910.66; Maj. James F. Vaughan, Finance Corps, Army, $2,132.72; Maj. Burrel V. Waite, Finance Corps, Army, $181.05;

Lt. Col. Alson E. Williams, Finance Corps, Army, $2,813.97; Maj. John Charles Young, Finance Corps, Army (deceased), $1,110.49; Maj. Robert E. Zunwalt, Finance Corps, Army (now warrant officer, junior grade), $1,488.12; Capt. Carroll Eugene Adams, Air Force, $483.92; Capt. Gene Carlyle Anderson, Air Force, $76.75; Capt. Frank Lewis Bachman, Air Force (now major), $1,639.99; Maj. Fred Carl Baker, Air Force (now lieutenant colonel), $278; Maj. James Luther Barber, Jr., Air Force, $3,649.27; Maj. Frank Jerome Begley, Air Force, $16.50; Maj. Elton August Bohrens, Air Force (now lieutenant colonel), $4,346.57; Capt. James Levi Biles, Jr., Air Force (now major), $548; Capt. Albert Paul Blue, Air Force (now major), $849.36; 1st Lt. Laurin Carson Bort, Jr., Air Force (now captain), $7,308.05; Lt. Col. Harold Odell Brickell, Air Force, $639.75; Capt. Charles William Brock, Air Force (now major), $421.21; Lt. Col. Clarence H. Burd, Air Force, $9,393.48; 1st Lt. John Baxter Campbell, Air Force (now captain), $246.70; Capt. Neal Hotton Carpenter, Air Force (now lieutenant colonel), $1,517.24; Lt. Col. Floyd William Clark, Air Force, $534.91; Capt. Ross Leo Clements, Air Force, $3,045.38; Maj. Douglas Lee Clinely, Air Force, $192.80; Capt. Weldon Stanley Daubard, Air Force, $149.42; Lt. Col. Bruce Gregory Duncan, Air Force, $787.52; Maj. Jacob Clayton Eckart, Air Force, $1,852.70;

Capt. Kenneth Ronald Enyeart, Air Force, $130.20; Maj. Grover Cleveland Farmer, Air Force (now lieutenant colonel), $1,835.45; Capt. George Alexander Finan, Jr., Air Force, $758.39; Lt. Col. Stanley A. Fulcher, Air Force, $194.89; Capt. Owen Earl Hague, Air Force (now major), $2,809.97; Lt. Col. Harold William Hansen, Air Force, $594.23; Capt. Charles Oscar Harden, Air Force (now major), $2,983.40; Maj. Fred Paul Hardy, Air Force, $207.40; Capt. Daniel Blaine Harris, Air Force, $615.69; Lt. Col. Robert Yerby Harriss, Air Force, $2,093.94; Maj. Ober Marion Heath, Air Force, $2,562.09; Maj. Frederick Earl Hellenga, Air Force, $1,707.78; Capt. Sidney Belmont Hendren, Air Force (now major), $1,817.83; Maj. Gilbert Dean Hereth, Air Force, $2,673.91; Maj. Harold James Herrick, Air Force, $4,487.03; Maj. Edward H. Hoffman, Air Force (now lieutenant colonel), $1,295.54; Maj. Gould Kingery Holland, Air Force, $3,092.48; Lt. Col. Farrell E. Hupp, Air Force, $669.37; Lt. Col. Richard Perkins Hurd, Air Force, $773.62; Maj. Clarence Clifford Jamison, Air Force, $635.64; Lt. Col. Mallie Johnson, Air Force, $80.77; Capt. William Aubrey Jones, Air Force, $76.85; Capt. Thomas Lee Keal, Air Force, $1,127.07; Maj. Edward Julian Krocker, Air Force, $1,444.54; Maj. Fred O. LaFevers, Jr., Air Force, $132.90; Maj. Frank Browne Leggette, Air Force, $760.34; Capt. George Frederick Lewis, Air Force, $117.14; Maj. Victor James Loughnan, Air Force, $2,621.51; Maj. Francis Mathew Malone, Air Force, $898.16; Maj. Thomas Sutton Martin, Jr., Air Force, $471.08; Capt. Raphael Martinez, Air Force (now major), $2,484.95; Capt. Robert Wilburn Masters, Air Force (now major), $1,273.73; Maj. Harry James McAuley, Air Force (now lieutenant colonel), $1,316.49; Capt. Sidney Gale McGavic, Air Force, $604.74;

First Lt. H. W. McGuire, Air Force, $3,556.13; Lt. Col. William Louis McKnight, Air Force, $423.90; Lt. Col. Hoke McWhorter, Air Force, $1,594.45; Lt. Col. Ray Mills, Air Force, $119.90; Maj. Junior Donald Murfield, Air Force, $126.40; Maj. Henry Harper Myers, Air Force, $614.42; Maj. Harold Leo Oldenburg Air Force (now deceased), $1,920.18; Maj. Claybert Wilson Reid, Air Force, $822.81; Maj. Arval R. Ricketts, Air Force (now lieutenant colonel), $770.37; Col. Harold Eric Russell, Air Force, $2,239.90; Capt. William Hardwick Simmons, Air Force (now major), $1,638.79; Capt. Dudley Guy Simpson, Air Force, $419.47; 1st Lt. John Merle Smith, Air Force (now major), $275.88; Lt. Col. Vincent Edgar Smith, Air Force, $99.12; Lt. Col. Luther Russell Stebbins, Air Force (now colonel), $645.14; Maj. Frederick Parks Steck, Air Force, $846.60; Maj. Otis V. Stephenson, Air Force (now lieutenant colonel), $764.83; Maj. Lawrence Trupe, Air Force, $387.67; Capt. Austin Wayne Turner, Air Force, $1,558.59; Maj. Fred Vann, Air Force, $1,174.58; Maj. F. J. Verhulst, Jr., Air Force, $172.36; Maj. Earl Woodall Wolslagel, Air Force, $318.33; Comdr. W. G. Bacon, Supply Corps, Navy Reserve, $165; Capt. E. F. Parker, Supply Corps, Navy, $1,409.44; Lt. T. F. Beck, Supply Corps, Navy, $10.75; Lt. (jg.) J. J. Beckham, Supply Corps, Navy, $12.80; Lt. (jg.) W. P. Bennett, Supply Corps, Navy Reserve, $18.75.

Lt. (jg.) Edward F. Bailey, Supply Corps, Navy, $260.41; Ens. Jack M. Brennan, Supply Corps, Navy, $57.50; Lt. (jg.) B. E. Blum, Women Volunteer (special), Supply Corps, Navy Reserve, $187.50; Lt. (jg.) W. L. Blumling, Supply Corps, Navy, $210; Lt. Frank L. Brogdon, Supply Corps, Navy, $86.60; Ens. Carol H. Brooks, Supply Corps, Navy, $92.80; Ens. William H. Brownell, Supply Corps, Navy, $114.41; Ens. Wright A. Burnham, Supply Corps, Navy, $216.97; Ens. Richard B. Campbell, Supply Corps, Navy Reserve, $80; Lt. (jg.) Darrell Newcomb Coba, Supply Corps, Navy, $66; Lt. (jg.) Mary B. Crooks, Supply Corps (Women), Navy Reserve, $75; Lt. Comdr. Philip C. Dahlquist, Supply Corps, Navy, $133.50; Lt. (jg.) Marshall E. Domash, Supply Corps, Navy Reserve, $37.50; Ens. James G. Downey, Supply Corps, Navy, $150.80; Lt. Maurice K. Downs, Supply Corps, Navy, $18.75; Lt. (jg.) Austin L. Finan, Jr., Supply Corps, Navy Reserve, $93.75; Lt. (jg.) John C. Fitzpatrick, Supply Corps, Navy Reserve, $252; Ens. John Harris Ford, Supply Corps, Navy Reserve, $56.25; Lt. Comdr. Lyon H. Fowler, Supply Corps, Navy Reserve, $35; Lt. Helen R. Gorham, Supply Corps, Navy, $200; Lt. (jg.) Eugene Gralla, Supply Corps, Navy, $12.53; Ens. James Robert Greene, Supply Corps, Navy, $600; Lt. Thomas C. Hemmick, Supply Corps, Navy Reserve, $37.50;

Lt. Comdr. Robert E. Henderson, Supply Corps, Navy Reserve, $34.66; Lt. Simeon G. Higgins, Supply Corps, Navy, $102.93; Ens. Earl Wallace Horngren, Supply Corps, Navy, $107.60; Ens. Ben Johnson, Supply Corps, Navy, $150; Ens. Karl August Johnson, Supply Corps, Navy, $357.20; Lt. (jg.) Cecil Franklin Jones, Supply Corps, Navy, $75; Lt. (jg.) John Edward Juracka, Supply Corps, Navy, $210.42; Comdr. Stephen Jurika, Jr., Supply Corps, Navy, $74.50; Lt. Joseph G. Kaiser, Supply Corps, Navy, $311.94; Lt. Comdr. Charles A. Kasdorf, Jr., Supply Corps, Navy, $1,104.50; Lt. Comdr. Robert John Kliese, Supply Corps, Navy, $150; Ens. Donald Hedges Lake, Supply Corps, Navy, $42.50; Lt. Arthur W. Lazcano, Supply Corps, Navy, $9; Ens. Bob R. Lindsey, Supply Corps, Navy, $149.12; Lt. Irene Lillian Lumby, Supply Corps (Women), Navy Reserve, $393.75; Lt. Norman C. Lunde, Supply Corps, Navy, $57.60; Lt. Comdr. Sam Cruse, Supply Corps, Navy, $131.78; Lt. George W. MacFerren, Supply Corps, Navy, $318.75; Lt. Joseph Ronald McGuinn, Supply Corps, Navy Reserve, $150; Ens. Charles G. Maggi, Jr., Supply Corps, Navy, $150; Lt. Orville L. Marlett, Supply Corps, Navy Reserve, $18.75; Lt. William W. Miller, Supply Corps, Navy, $100; Lt. O. B. Molidor, Supply Corps, Navy Reserve, $30; Lt. John B. Morgan, Supply Corps, Navy Reserve, $75;

Lt. (jg.) Frederick L. Morrill, Supply Corps, Navy Reserve, $240; Lt. Comdr. Robert Stone Morrison, Supply Corps, Navy Reserve, $155.10; Lt. Carroll E. Neely, Supply Corps, Navy, $18.75; Lt. (jg.) Burl D. Pollock, Supply Corps, Navy, $660; Lt. (jg.) Robert K. Ponder, Supply Corps, Navy, $14; Ens. Stanley W. Potts, Supply Corps, Navy, $18.75; Lt. James A. Robinson, Supply Corps, Navy, $18.75; Ens. J. Forest Schnaible, Supply Corps, Navy Reserve, $105; Lt. Leland A. Schmidt, Supply Corps, Navy Reserve, $112.50; Lt. Russell W. Sharpe, Supply Corps, Navy Reserve, $281.25; Ens. Raymond W. Sitz, Supply Corps, Navy, $10; Comdr. Ray E. Snedaker, Supply Corps, Navy, $27.50; Lt. Comdr. E. D. Spencer, Supply Corps, Navy, $2,800.92; Lt. (jg.) Robert M. Spicer, Supply Corps, Navy, $238.75; Ens. William J. Vogel, Supply Corps, Navy, $149.24; Lt. (jg.) George N. Wade, Supply Corps, Navy, $115.20; Capt. Clarence G. Warfield, Supply Corps, Navy Reserve, $320; Lt. (jg.) William D. Warne, Supply Corps, Navy, $104.10; Lt. William B. West, Supply Corps, Navy, $1.20; Ens. David E. Whelan, Supply Corps, Navy, $34.60; Lt. (jg.) Charles R. Wilson, Supply Corps, Navy Reserve, $92.50;

Lt. (jg.) Marjorie E. Wright, Supply Corps, Navy Reserve, $37.50; Lt. Robert M. Wilson, Supply Corps, Navy, $45; Lt. Robert J. Thede, Supply Corps, Navy Reserve, $56.25; Comdr. C. F. Ray, Supply Corps, Navy, $153.85; Lt. (jg.) Bernard B. Wright, Supply Corps, Navy, $50; Lt. (jg.) James C. Keener, Supply Corps, Navy, $120; Lt. (jg.) Albert L. McGlaun, Jr., Supply Corps, Navy, $350; Lt. Bernard J. Hackenson, Supply Corps, Navy, $4,469; Ensign Paul M. Korman, Supply Corps, Navy Reserve, $56.25; Capt. Stanley Addison Joy, Supply Corps, Navy Reserve $684.51; Lt. (jg.) E. B. Barnett, Supply Corps, Navy, $20; Lt. Peniston E. Browne, Supply Corps, Navy, $1,650.23; Maj. Thea A. Smith, Marine Corps (now lieutenant colonel), $73.85; Maj. Charles E. Yale, Marine Corps (deceased), $724.10; the foregoing amounts representing erroneous payments of public funds for which these officers are accountable, which payments resulted from accounting differences and minor errors in determining amounts of pay and allowances due former officers, enlisted men and civilian employees of the services concerned or contractors and vendors from whom collection of the overpayments has not been effected and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. Any amounts refunded by any disbursing officer or his heirs in connection with any item of indebtedness in accounts cleared herein and any amount otherwise due any disbursing officer or his heirs which was set off against any item of indebtedness which is cleared herein, shall be refunded to such disbursing officer or his heirs from the account to which credited if that account is available for disbursement, or if not, from the appropriation "Payment of Certified Claims." No part of the amounts authorized under this section to be refunded shall be charged against any individual other than

the person to whom the erroneous payment was made or the person who received the benefit thereof.

SEC. 3. In all cases where disbursing officers' accounts are cleared or relieved under the authority of this act, such clearance or relief shall be considered and construed as precluding the recovery from such disbursing officers of any interest charges (whether in connection with judicial proceedings or otherwise) arising from any item so cleared or relieved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATHAN L. GARNER

The Clerk called the bill (H. R. 6282) for the relief of Nathan L. Garner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to M. Sgt. Nathan L. Garner, Mount Olive, N. C., the sum of $1,600, together with interest at the rate of 4 percent per annum from November 10, 1954, to the date of making payment under this act, and the sum of $110.22, representing accrued interest on certain deposits to November 10, 1954, in full settlement of all claims against the United States for the loss sustained by him when certain deposits of his savings made at Fort Bragg, N. C., in 1953–1954 to soldiers' deposits were never applied or returned to him by the responsible officer and for which he has not heretofore been fully compensated: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS W. BEVANS AND OTHERS

The Clerk called the bill (H. R. 6395) for the relief of Thomas W. Bevans and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to the following disbursing officers and former disbursing officers of the armed services the amounts listed opposite their names, which amounts represent moneys paid from their personal funds to liquidate deficiencies incurred in their accounts in good faith and without fraud or collusion on their part:

Lt. Thomas W. Bevans, Supply Corps, United States Navy, $6.50; Ensign Franklin E. Clay, Supply Corps, United States Naval Reserve, $50; Lt. Comdr. William R. Davenport, Supply Corps, United States Naval Reserve, $24.23; Ens. Albert R. Dow, Supply Corps, United States Naval Reserve, $22.10; Ens. Jack Futerfas, Supply Corps, United States Navy, $17.44; Lt. (jg.) Aloys A. Godar, Supply Corps, United States Naval Reserve, $5.52; Lt. (jg.) Richard K. Greenlee, Supply Corps, United States Naval Reserve, $30.88; Ens. Owen D. Griffin, Supply Corps, United States Naval Reserve, $4,000; Ens. Hobart D. Harvey, Supply Corps, United States Navy, $1,503; Lt. Richard C. Hoskins, Supply Corps, United States Naval Reserve, $15.60; Lt. (jg.) Alvin D. Jacobs, Supply Corps, United States Naval Reserve, $56.44; Lt. (jg.) R. V. Kelly, Supply Corps, United States Naval Reserve, $10; Victoria Kralka Le Brou (widow of Col. Richard K. Le Brou, Finance Corps, symbol No. 210257), $400.89; Comdr. James T. Mathews, Jr., Supply Corps, United States Navy, $181.60; Lt. (jg.) Vincent J. McCabe, Supply Corps, United States Naval Reserve, $36.25;

Lt. (jg.) James E. McDonald, Supply Corps, United States Naval Reserve, $30.33; Ens. Charles H. McKenzie, Supply Corps, United States Navy, $135.40; Ens. James K. Meritt, Supply Corps, United States Naval Reserve, $23.30; Commissioned W. O. Norman V. Miller, United States Marine Corps, $452; Mae R. Nagel (widow of Col. Jacob Louis Nagel, Finance Corps, symbol No. 210601), $769.43; Mrs. Florence Netcher (widow of Col. Fred Charles Netcher, Finance Corps, symbol No. 211971), $104.74; Ensign R. P. Schmitt, Supply Corps, United States Naval Reserve, $109; Lt. (jg.) Jean M. Shaefer, Supply Corps (W), United States Naval Reserve, $57. 47; Lt. (jg.) William John Vogel, Supply Corps, United States Navy, $585.16; Comdr. John Byron Warner, Supply Corps, United States Navy, $437; Ens. LeRoy William Adams, Supply Corps, United States Naval Reserve, $15; Lt. (jg.) John Joseph Beck, Supply Corps, United States Navy, $326.82; Lt. (jg.) Mason V. Carlson, Supply Corps, United States Naval Reserve, $37.50; Ens. William E. Dorion, Supply Corps, United States Naval Reserve, $19.88;

Lt. Ernest Telford Grant, Supply Corps, United States Navy, $12; Lt. (jg.) Lloyd Russell Jones, Supply Corps, United States Naval Reserve, $73.54; Lt. Comdr. George Garland Jordan, Supply Corps, United States Navy, $56.25; Lt. Ben T. Karnes, Supply Corps, United States Navy, $104.40; Ens. Samuel Thompson Lattimore, Supply Corps, United States Navy, $9; Lt. Oscar William Levy, Supply Corps, United States Navy, $28.58; Lt. Robert Charles Lyons, Supply Corps, United States Navy, $128.96; Lt. Fred A. McCuan, Supply Corps, United States Navy, $300; Lt. (jg.) Louis G. Pierce, Supply Corps, United States Naval Reserve, $104.27; Ens. Max B. Reed, Supply Corps, United States Navy, $98.50; Ens. Robert Lee Rigel, Supply Corps, United States Naval Reserve, $100; estate of Capt. John Manning Speissegger, Supply Corps, United States Naval Reserve, $100.10; Ens. James M. Waters, Supply Corps, United States Naval Reserve, $50; Ens. Franklin C. Wright, Supply Corps, United States Naval Reserve, $78; Lt. Robert C. Zell, Supply Corps, United States Navy, $19.50.

SEC. 2. The relief herein authorized in no way shall bar recovery from the payees or beneficiaries of the amounts improperly received by them.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PROTESTANT EPISCOPAL CHURCH IN THE HAWAIIAN ISLANDS

The Clerk called the bill (H. R. 3636) to authorize the issuance of a land patent to certain lands situate in the city and county of Honolulu, Island of Oahu, to The Protestant Episcopal Church in the Hawaiian Islands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioner of Public Lands of the Territory of Hawaii, with the consent of the Governor of said Territory, be authorized to issue a land patent to The Protestant Episcopal Church in the Hawaiian Islands, a religious corporation, covering the following described land: Lot No. 186, of the Waimanalo Beach lots, containing an area of approximately 14,351 square feet. Said patent to be subject to such conditions as the said Commissioner of Public Lands, with the approval of the said Governor, shall prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANISLAVAS RACINSKAS

The Clerk called the bill (S. 39) for the relief of Stanislavas Racinskas (Stacys Racinskas).

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVANTIYI YORGIYADIS

The Clerk called the bill (S. 68) for the relief of Evantiyi Yorgiyadis.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARGARET ISABEL BYERS

The Clerk called the bill (S. 89) for the relief of Margaret Isabel Byers.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AHTI JOHANNES RUUSKANEN

The Clerk called the bill (S. 93) for the relief of Ahti Johannes Ruuskanen.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SULTANA COKA PAVLOVITCH

The Clerk called the bill (S. 121) for the relief of Sultana Coka Pavlovitch.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIROSLAV SLOVAK

The Clerk called the bill (S. 129) for the relief of Miroslav Slovak.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUISE RUSSU SOZANSKI

The Clerk called the bill (S. 193) for the relief of Louise Russu Sozanski.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHANNA SCHMID

The Clerk called the bill (S. 236) for the relief of Johanna Schmid.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Johanna Schmid, the fiancée of Edmond J. Bolz, Jr., a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Johanna Schmid is coming to the United States with a bona fide intention of being married to the said Edmond J. Bolz, Jr., and that she is found otherwise admissible under the provisions of the Immigration and Nationality Act other than the provision of section 212 (a) (9) of that act: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act. In the event that the marriage between the above-named persons does not occur within 3 months after the entry of the said Johanna Schmid, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Johanna Schmid, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Johanna Schmid as of the date of the payment by her of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DIANA COHEN AND JACQUELINE PATRICIA COHEN

The Clerk called the bill (S. 320) for the relief of Mrs. Diana Cohen and Jacqueline Patricia Cohen.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNI MARJATTA MAKELA ET AL.

The Clerk called the bill (S. 321) for the relief of Anni Marjatta Makela and son, Markku Paivio Makela.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLEN HENRIETTE BUCH

The Clerk called the bill (S. 351) for the relief of Ellen Henriette Buch.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ellen Henriette Buch shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELEN ZAFRED URBANIC

The Clerk called the bill (S. 407) for the relief of Helen Zafred Urbanic.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCY PERSONIUS

The Clerk called the bill (S. 439) for the relief of Lucy Personius.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRISKA ANNE KARY

The Clerk called the bill (S. 504) for the relief of Priska Anne Kary.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Priska Anne Kary may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ZEV COHEN (ZEV MACHTANI)

The Clerk called the bill (S. 844) for the relief of Zev Cohen (Zev Machtani).

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATHRYN A. GLESENER

The Clerk called the bill (H. R. 1216) for the relief of Cathryn A. Glesener.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cathryn A. Glesener, of Underwood, Wash., the sum of $70,031.38, in full satisfaction and final settlement of all her claims against the United States for compensation arising out of (1) the damage caused to her leasehold rights in certain shorelands, located on the north side of and extending into the Columbia River, near Underwood, Wash., caused by the United States engineers in the construction of the Bonneville Dam, and (2) the damages sustained by her as the result of the destruction of her rafting and booming business as such leasehold property by the construction of said dam: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "70,031.38", and insert in lieu thereof "18,151.97."

Page 2, line 3, after the word "business", strike out "as", and insert "at."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIANNE ANITA ZELINKA

The Clerk called the bill (H. R. 1245) for the relief of Marianne Anita Zelinka.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Marianne Anita Zelinka, shall be held and considered to be the natural-born alien child of Raymond G. Grogg, citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENNARO SAVARESE

The Clerk called the bill (H. R. 1275) for the relief of Gennaro Savarese.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUDOLFO M. GOMEZ (CAPAZ)

The Clerk called the bill (H. R. 1463) for the relief of Rudolfo M. Gomez (Capaz).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (19) of the Immigration and Nationality Act, Rudolfo M. Gomez (Capaz), may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JOAN CRAIG NEWELL

The Clerk called the bill (H. R. 1540) for the relief of Mrs. Joan Craig Newell.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIA DICRAN SIMON

The Clerk called the bill (H. R. 1541) for the relief of Mrs. Maria Dicran Simon.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER LUIGIA PELLEGRINO ET AL.

The Clerk called the bill (H. R. 1648) for the relief of Sister Luigia Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LINDA BERYL SAN FILIPPO

The Clerk called the bill (H. R. 1997) for the relief of Linda Beryl San Filippo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Linda Beryl San Filippo may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENGT WIKSTAM

The Clerk called the bill (H. R. 2073) for the relief of Bengt Wikstam.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Bengt Wikstam may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out the word "have" and insert "had."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTONI RAJKOWSKI

The Clerk called the bill (H. R. 2495) for the relief of Antoni Rajkowski.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIHAI INDIG

The Clerk called the bill (H. R. 2721) for the relief of Mihai Indig.

There being no objection, the Clerk read the bill, as follows:

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

With the following committee amendment:

Page 1, line 7, after the word "fee.", strike out the balance of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK SCRIVER

The Clerk called the bill (H. R. 2756) for the relief of Frank Scriver.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN RELATIVES OF UNITED STATES CITIZENS OR LAWFULLY RESIDENT ALIENS

The Clerk called the bill (H. R. 6086) for the relief of certain relatives of United States citizens or lawfully resident aliens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, the aliens hereinafter named may be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: Maria Alexandrina Martins Almeida, Selma H. Bakmazian, Olga Bartley, Lucia P. Boscarino, Athanasia Bratsis, Johanna I. H. Brink, Colette M. Brown, Eva Burlew, Mrs. Ellen Byrne, Viviane Lucienne Therese Felicie Renee Vennin Carter (Mrs. Billy Ray Carter), Anastasio Cauchon, Clara B. Cheas, Rosa M. Cheney, Elsa Schott Cicca, Antonio Da Prato, Marianne Schuster Dawes, Elisabeth Van V. De Mik, Vasiliki Demos, Sylvia T. East, Elsa Wahl Enlow, Ines Lenzi Erickson, Mrs. Marielise Fallotico, Regine M. G. Freund, Mrs. Isolde Frohne, Mrs. Margarete Schober Frugia, Mrs. Emma Gafner, Michael Gerdelan, Salvatore Gineo, Renata C. E. M. Gould, Rosie Lu Hall, Helen K. Hart, Brunhilde Walburga Golomb Hartsworm, Joan Hawkins, Charles M. Hendrix, Margarete Wanda Hockenberry, Margit Hood, Beryl R. Irrer, Gerhard Kamp, Sofia B. P. Kanell, Kathleen B. Kircher, Erma Marie Yasuko Kuzina, Fotini Lambridis, Regina Chan Lee, Yvette M. Levin, Mrs. Young See Louie, Giacomo Marzi, Margaret A. J. H. Mayberry, Mrs. Maria J. McPherson, Margers Nulle-Siecenieks, Monique A. G. Owens, Mr. Giovanni Pane, Loretta Pereira, Martha Petersen, Barbara B. Pleskow, Maria da Conceicao Prentice, Helene Ramo, Joseph Ritchie, Enrico Salvo, Hermine M. Sarkissian, Irene Schaetzel, Bernd Schmidt, Sheila M. Skipp, Julius Gyula Sternberger, Mrs. Rosa Pfiffner Stout, Alzbeta Katerina Szwabe, Mary T. Toner, Skevos N. Tsoukalas, Mrs. Jean Barbara Laing Vance, Demetra S. Victor, Mrs. Theresa Vlassopoulos, Maria K. A. I. Walther, Mrs. Kazuko (Takeda) Williams, Dung Kwai Wong (also known as Dung Wong Kwai), Charlotte S. Zornow.

With the following committee amendments:

On page 1, line 5, after the words "after named may", insert the words "be granted visas and."

On page 2, line 3, after the name "Almeida", insert the names "Rosemarie E. Anstett, Anita S. Armstrong."

On page 2, line 4, after the name "Bakmazian", insert "Anna V. Barbour."

On page 2, line 7, after "(Mrs. Billy Ray Carter)", insert "Hildegard Case."

On page 2, line 9, after "Cicca", insert "Antonio Ciccone."

One page 2, line 9, after "Dawes", insert "Pietro Degnitti."

On page 2, line 13, after "Gerdelan", insert "Felice Ghersi."

On page 2, line 14, after "Gould", insert "Willemina K. Haaijer."

On page 2, line 17, after "Irrer", insert "Juliana P. Jones."

On page 2, line 19, after "Lambridis", insert "Brigite Seydl Lattig."

On page 2, line 20, after "Levin", insert "Ramon Martin Lopez."

On page 2, line 21, after "McPherson", insert "Elvira P. Motsenbocher."

On page 2, line 24, after "Ramo", insert "Henriette R. Rawlins, Patricia R. Redding."

On page 2, line 24, after "Ritchie", insert "Ursula Ross."

On page 3, line 5, strike out the name "Paul S. Wieandt", and substitute in lieu thereof the name "Stephan J. P. Wieandt."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROGERIO SANTANA DE FRANCA

The Clerk called the bill (H. R. 1537) for the relief of Rogerio Santana de Franca.

There being no objection, the Clerk read the bill, as follows:

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

With the following committee amendment:

On page 1, line 7, after the words "visa fee" strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEAN ISABEL HAY WATTS

The Clerk called the bill (H. R. 1538) for the relief of Jean Isabel Hay Watts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jean Isabel Hay Watts shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon

payment of required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the year that such quota is available.

With the following committee amendment.

On page 1, line 7, after the words "visa fee.", strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DALISAY LOURDES CRUZ

The Clerk called the bill (H. R. 1552) for the relief of Dalisay Lourdes Cruz.

There being no objection, the Clerk read the bill, as follows:

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

With the following committee amendment:

On page 1, lines 5 and 6, delete the word "natural-born."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIM DONG SU

The Clerk called the bill (H. R. 1661) for the relief of Kim Dong Su.

There being no objection, the Clerk read the bill, as follows:

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

With the following committee amendment:

On page 1, line 7, after the words "visa fee", strike out the period and insert a colon and add the following: "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA KNAPE

The Clerk called the bill (H. R. 1693) for the relief of Barbara Knape.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Barbara Knape may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

On page 1, line 9, strike out the word "have" and substitute "had."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAX STEINSAPIR

The Clerk called the bill (H. R. 2911) for the relief of Max Steinsapir.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of the 11th category of section 3 of the Immigration Act of 1917, as amended, Max Steinsapir may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Max Steinsapir may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAZARA CAMARGO BERNOUDY

The Clerk called the bill (H. R. 2929) for the relief of Lazara Camargo Bernoudy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Lazara Camargo Bernoudy shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALVACION CARBON

The Clerk called the bill (H. R. 1549) for the relief of Salvacion Carbon.

There being no objection, the Clerk read the bill, as follows:

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

With the following committee amendment:

On page 1, line 7, after the words "visa fee", change the period to a colon and insert the following: "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUALBERTO ESTRALLA ALABASTRO ET AL.

The Clerk called the bill (H. R. 1551) for the relief of Gualberto Estralla Alabastro, Pura Zarco Alabastro, and Arlene Alabastro.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELENA GIGLIOTTI

The Clerk called the bill (H. R. 1750) for the relief of Elena Gigliotti.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARGARETE GARTNER

The Clerk called the bill (H. R. 1883) for the relief of Margarete Gartner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Margarete Gartner, the fiance of Sfc. William M. Thompson, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Margarete Gartner is coming to the United States with a bona fide intention of being married to the said Sfc. William M. Thompson and that she is found admissible under the Immigration and Nationality Act, other than the provisions of section 212 (a) (9) thereof: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Margarete Gartner, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Margarete Gartner, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Margarete Gartner as of the date of the payment by her of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEJANDRO FLORENTINO MUNOZ

The Clerk called the bill (H. R. 2274) for the relief of Alejandro Florentino Munoz.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS ELVIRA BORTOLIN

The Clerk called the bill (H. R. 2724) for the relief of Miss Elvira Bortolin.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFELIA MARTIN

The Clerk called the bill (H. R. 2791) for the relief of Ofelia Martin.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMELO RODRIGUEZ PEREZ, ALSO KNOWN AS CARMELO RODRIGUEZ FENALD

The Clerk called the bill (H. R. 2925) for the relief of Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 250 of the Immigration and Nationality Act, the minor child, Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald, shall be held and considered to be the natural-born alien child of Sydney Fenald, citizen of the United States.

With the following committee amendment:

Page 1, line 4, strike out "250" and insert "205."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ASSUNTINO DEL GOBBO

The Clerk called the bill (H. R. 3048) for the relief of Assuntino Del Gobbo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Assuntino Del Gobbo may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out "have" and insert "had."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIUSEPPA ARSENA

The Clerk called the bill (H. R. 3270) for the relief of Giuseppa Arsena.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVELINE WENK NEAL

The Clerk called the bill (H. R. 3504) for the relief of Eveline Wenk Neal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Eveline Wenk Neal may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out "have" and insert "had."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUISE ISABELLA CHU, ALSO KNOWN AS LUISE SCHNEIDER

The Clerk called the bill (H. R. 3628) for the relief of Luise Isabella Chu, also known as Luise Schneider.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Luise Isabella Chu, also known as Luise Schneider, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State

shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BIRGIT CAMARA, ALSO KNOWN AS BIRGIT HEINEMANN

The Clerk called the bill (H. R. 3635) for the relief of Birgit Camara, also known as Birgit Heinemann.

There being no objection, the Clerk read the bill, as follows:

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

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That completes the call of the bills on the Private Calendar.

SALE OF LAND TO THE CITY OF WOODWARD, OKLA.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 98 the bill (H. R. 1762) to provide for the conveyance of certain lands by the United States to the city of Woodward, Okla. I previously asked that this bill be passed over without prejudice. I have conferred with the author of the bill, with the leadership on the majority and the minority sides, and there is no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 998, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to the city of Woodward, Okla., all of the right, title, and interest of the United States in and to the following-described land situated in Woodward County, Okla.:

Beginning at a point 66.0 feet south and 283.0 feet west of the northeast corner of the northwest quarter of section 35, township 23 north, range 21 west, Indian meridian, and running thence south 273.0 feet, thence west 150.0 feet, thence north 273.0 feet, thence east 150.0 feet to the point of beginning, all lying in the northwest quarter of section 35, township 23 north, range 21 west, Indian meridian, and including an area of 0.940 acre more or less.

SEC. 2. The conveyance authorized by this act shall be made subject to (a) the condition that the city of Woodward, Okla., pay into the Treasury of the United States, in return for the land conveyed, an amount equal to 50 percent of the fair market value of such land to be determined by the Secretary of Agriculture after appraisal of such land, and (b) such other conditions, limitations, or reservations as the Secretary may deem necessary to protect the interests of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1762) was laid on the table.

DEFENSE DEPARTMENT APPROPRIATIONS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, yesterday I brought to the attention of the House the off-again, on-again, Finnegan defense policy of appropriations of the Defense Department. Now I understand the Defense Secretary, Mr. Wilson, not only wants $356 million, in addition to what he told this House he wanted when we passed the defense appropriation bill, to make bombers the accelerated program, and now, today, I understand that we need additional fighters and that more funds will be asked for additional fighters. When the appropriation bill passed the House, I pointed out the fact that the presentation was not in proper form and that the cuts in the Army, the Navy, and the Marine Corps should not be made. The Defense Department yesterday and today asked for $356 million more than the House gave them, and that would supply the full cut made in the Army, the Navy, and the Marine Corps and maintain these services until June 30, 1956, at the level of June 30, 1955.

Mr. Speaker, we have much more to hear about the defense appropriation bill. Why, today, Adm. Roscoe F. Good, Deputy Chief of Naval Operations for Logistics, declares that the Soviet Navy has jumped from seventh to second among the navies of the world, and is still building fast—though we have cut our Navy in the defense appropriation bill passed by the House over my objection. Admiral Good warned:

> We are up to our gunnels in a contest for supremacy in seapower. First prize in this contest is national survival. There is no second prize.

WHITE COUNTY BRIDGE COMMISSION

The SPEAKER. Pursuant to the provisions of House Resolution 244, 84th Congress, the Chair appoints as members of the Select Committee To Conduct an Investigation and Study of the Financial Position of the White County Bridge Commission, established by Public Law 37, 77th Congress, the following Members of the House: Messrs. DENTON, PRICE, and SIMPSON of Illinois.

TRINITY RIVER DIVISION, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 263, Rept. No. 732), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4663) to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE LATE HONORABLE CHARLES ANDREW JONAS

The SPEAKER. Under previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 60 minutes.

Mr. JONES of North Carolina. Mr. Speaker, on Thursday, May 26, 1955, it was my sad duty to announce in the House the death of the late Honorable Charles Andrew Jonas, a Member of this body during the 71st Congress and father of our distinguished colleague from North Carolina, the Honorable CHARLES RAPER JONAS. Mr. Jonas passed away on May 25, 1955, and funeral services were held in his hometown of Lincolnton, N. C., on May 27.

All my life, Mr. Speaker, I have had a profound respect for the character and ability of Mr. Jonas and I would like at this time to pay a personal tribute to his record of public service and his accomplishments in behalf of the people of North Carolina.

Charles Andrew Jonas was born near Reepsville, Lincoln County, N. C., on August 14, 1876. He was the son of the late Cephas A. and Martha Scronce Jonas, descendants of those sturdy German pioneers who came into the Catawba Valley region of western North Carolina prior to the American Revolution. Mr. Jonas' grandfather, Daniel A. Jonas, was a valiant North Carolinian who gave his life fighting for the Confederacy in the War Between the States.

When Mr. Jonas was born, the full force and effect of reconstruction was being felt in North Carolina and throughout the South. Due to the poverty and desolation of the times, his parents, like those of thousands of other

southern boys, did not have the financial means to provide for his education. Mr. Jonas, however, had a brilliant mind and a keen thirst for knowledge and through his own efforts, he attended, for several winters, the public schools of his day. In 1896 and 1897 he studied at Ridge Academy, Lincoln County, and following this he was able to attend for 2 years Fallston Institute in Cleveland County, N. C. These fine old schools have long since given way to our modern high schools in North Carolina but in their day they served their generation well and turned out graduates who rose to places of leadership and trust.

In September 1899, Mr. Jonas arrived at the University of North Carolina at Chapel Hill with $40 in his pocket and a burning desire in his heart for a college education. By hard work and a determination to get ahead in life, he was able to support himself, pay for his school expenses, and finish a 4-year college course in 3 years, graduating in June 1902 with honors.

In August following his graduation, he married Miss Rosa Petrie, daughter of a pioneer family in western North Carolina, and for the next several years he taught in the public schools of his native State. During this time he was superintendent of the schools at Mount Holly and Dallas, in Gaston County, N. C.

Mr. Jonas had expressed a desire early in life to become an attorney and while employed as a school teacher in winter, he spent his summer months studying law at the University of North Carolina. In 1906 he finished his law course and was admitted to the bar. Clients were not so numerous in those days and he found time to be postmaster in 1907 at Lincolnton, N. C., his hometown. However, his law practice grew to such an extent in the next several years that he was forced to resign as postmaster in 1910 and devote full time to his legal work.

In 1915, Mr. Jonas actively entered politics when he was elected to the North Carolina State Senate. He served in the senate for two terms and was thereafter for several years attorney for the city of Lincolnton. From 1921 to 1925, he was assistant United States attorney for the western district of North Carolina, and in 1927 and 1935, he was a member of the North Carolina House of Representatives from Lincoln County. In 1917, Mr. Jonas became a member of the board of trustees of the University of North Carolina, and served in that capacity for a number of years.

Mr. Speaker, Mr. Jonas was a lifelong Republican and worked hard throughout North Carolina for the principles of his party. Beginning in 1927, he served for many years as a member of the Republican National Committee.

In the general election of November 1928, the people of the old Ninth Congressional District of North Carolina elected Mr. Jonas to the 71st Congress. At that time, his district contained four of the counties which are now embraced in the district I am proud to represent in this body, the present 11th Congressional District of North Carolina. These are the counties of Madison, Gaston, Cleveland, and Yancey. Mr. Jonas is well remembered in these counties for the service he rendered to his people.

Mr. Speaker, Mr. Jonas made an outstanding record for a freshman Congressman in the 71st Congress. During his 2 years in this House he was responsible for the establishment of Kings Mountain National Military Park to commemorate the victory won by American patriots at the Battle of Kings Mountain. He was also responsible for securing the appropriation to build the new United States courthouse and post office building at Charlotte, N. C., one of the finest public buildings in the State. In countless other ways, Mr. Jonas was a faithful servant of his people.

I am sure he was proud indeed when the people of a part of his old congressional district elected his distinguished son and our colleague, Hon. CHARLES RAPER JONAS, to the 83d Congress and re-elected him to the 84th Congress.

Mr. Jonas has now passed on to the great reward that awaits those who unselfishly serve their fellow men and keep the Commandments of Him who guides all of our destinies. He was a devout Methodist and throughout his life he served his church with the same devotion he gave to public service. His countless friends in North Carolina and elsewhere mourn his passing and will long remember him for his sterling character and his devotion to the fundamental principles of our forefathers, principles which have sustained us in times of great national distress and which have enabled us to become a leader among the nations of the world. Charles Andrew Jonas was a self-made man who rose from the farm to membership in this august body. He was a great Christian and churchman; a successful lawyer, and statesman; a devoted husband and father.

I extend my deepest sympathy to his widow, Mrs. Rose Petrie Jonas; his daughter, Mrs. L. T. Gibson, Gibson, N. C.; his sons, Donald Jonas, of Charlotte, N. C., and our colleague, Hon. Charles Raper Jonas, of Lincolnton, N. C.

[From the Charlotte (N. C.) Observer of May 28, 1955]

CHARLES A. JONAS, PUBLIC SERVANT

Charles A. Jonas, who died Wednesday after a long career of public service, represented the highest type of citizenship and proved with his own life that character is still the test by which men must finally be judged.

Being a member of the minority party in politics was itself a test. It is easy to go along with the majority or to follow the crowd, but it is sometimes desperately hard to stick to principle when that principle is held by a minority and when fidelity to it calls for personal sacrifice.

Mr. Jonas did that. He went to Congress in 1928 on a wave of Republican popularity, but he was out again 2 years later when the great depression struck the country and caused a revulsion against the party in power at the time. In that election the people were voting against the depression and not against Charlie Jonas.

His brief congressional career was not by any means the sum of his service to his State and to his community. As a member of the North Carolina Assembly, as a teacher in the public schools, as publisher of the Lincoln Times, as city attorney for Lincolnton, and as assistant United States district attorney for the western district of North Carolina he spent most of his life in the service of his native county and State.

If he missed greatness in public life because he threw his lot with the minority, he achieved it in his private life, where his name became a synonym for integrity.

That was his legacy to his able son, CHARLES RAPER JONAS—a legacy more precious than any wealth locked in a strongbox.

[From the Hickory (N. C.) Daily Record of May 27, 1955]

CHARLES ANDREW JONAS

One of Catawba County's most illustrious native sons—Charles Andrew Jonas—was laid to rest today in nearby Lincolnton, his adopted town.

Mr. Jonas—the first Congressman Jonas—is one of the few, if not the only United States Congressman to be born in Catawba County during the past 75 years. During his brief tenure in the Federal Congress he conducted himself so well in line with the wishes and beliefs of his constituents and built such a reservoir of good will that a generation later when the tide ran again to his party, his son, CHARLES RAPER JONAS, was the district's choice to represent it in the Congress. We doubt if this record can be equaled elsewhere in America. Only ill health prevented him from enjoying fully the satisfaction which any father derives from seeing his son follow in his own footsteps.

The late Mr. Jonas was born in the Hog Hill section of this county—between Banoak and Vale, and the site of some of the best farmland in the county. Two of his brothers still live in that community, and Mr. Jonas himself found his niche in the county seat of Lincoln. He was always ready to serve his neighbors in any capacity, and his ability was quickly recognized. He taught school, published a community newspaper, was city attorney, served in both houses of the State general assembly and on the board of trustees of the University of North Carolina. Then, in 1928 when the tide of politics swung to his party—the party he stuck by through thick and thin when those with more ambition than principle found it expedient to shift allegiance—he was elected to Congress.

We believe Congressman WOODROW JONES, of the neighboring congressional district, spoke for most of North Carolina Thursday in Congress when he said:

"Without a doubt, Mr. Jonas played a very active role in the making of the history of North Carolina during the last 50 years. He was a great churchman, lawyer, and statesman. Throughout North Carolina, he was recognized as a man of honor, character, and integrity. His wise counsel will be missed but his influence will live long after him. I am sure that one of the proudest moments of his life was to live to see his son, Hon. CHARLES RAPER JONAS, come to serve with us in this great body. I extend my deepest sympathy to his widow, Mrs. Rose Petrie Jonas; his daughter, Mrs. L. T. Gibson, of Gibson, N. C.; his sons, Donald Jonas, of Charlotte, and our colleague, Hon. Charles Raper Jonas, of Lincolnton, N. C."

[From the Lincoln (N. C.) Times of May 30, 1955]

"MR. CHARLIE" JONAS: A GREAT CITIZEN, PATRIOT, STATESMAN

Charles Andrew Jonas, 78, was truly one of Lincoln County's greatest men—the most outstanding and dynamic personality locally of the past half century. He leaves a remarkable record of accomplishment.

During his long and illustrious career he was known as a man of indomitable moral courage, rare mental ability, great faith, humility, integrity, understanding, and sincere love and respect for his fellowman. These characteristics and other attributes of rugged honesty and invincible courage led to his

meteoric career—from the plowshares of a tenant farm to great heights of prestige in the legal, political, civic, and religious affairs of Lincoln County, his State and Nation.

Although Mr. Jonas was born just across the Lincoln County line in Catawba County, he spent most of his life in Lincoln County and Lincolnton. For over 50 years he played active roles in all phases of Lincoln County and Lincolnton life during this period. He was a Republican in politics, the "Champion" to his followers and the man the Republican Party members respected deeply and looked to for leadership and counsel, but he was nonpartisan in the discharge of his duties. He was a modest man and never allowed any of his honors to "go to the head." The story is told that when "Mr. Charlie," as he was affectionately known to countless of his friends, retired from Congress in 1930, he was invited to join several well established and lucrative law firms in North Carolina and in Washington. To accept either would have forced him to permanently leave his children, his friends, and neighbors, and his Lincoln County soil. So, he elected to come back to the home folks—to the place he liked best—and pursue the even tenor of his way, practicing law. Throughout the years, as long as his health permitted, Mr. Jonas loyally supported and served in various capacities his beloved First Methodist Church of Lincolnton.

How did the people of "Mr. Charlie's" beloved Lincoln County best know him? We think the following by E. F. Mullen, in an article in the Lincoln Times about Mr. Jonas and his candidacy for the United States Senate in 1938, expressed the true sentiments: "They know him as the son of a poor tenant farmer, born far back in the clay hills. They know him as the bright-faced, ambitious farmer boy, who later worked his way through the State university. They know him as a school teacher, as a struggling young lawyer, as postmaster, as editor of his home-town weekly newspaper. They know him as a member of the local school board, as city and county attorney, as member of the House of Representatives and State senate, as United States district attorney, and as Congressman from his district. They also know him as a great churchman, as Sunday school teacher, as a temperance crusader. They know him as a born leader who, incredibly, seems always to be on the right side. Verily, they know him as their prophet."

Lincolnton and Lincoln County has suffered a tremendous loss in the death of Charles Andrew Jonas—respected citizen, outstanding leader, patriot, statesman. As a father, husband, homemaker he set an example worthy of emulation. By his exemplary life he leaves a heritage for which all Lincoln County can be proud. His influence will live on in the hearts of all as a guide and incentive toward complete dedication.

[From the Lincoln County News, Lincolnton, N. C., of May 30, 1955]

CHARLES A. JONAS

"Mr. Republican," of North Carolina, is dead.

North Carolina had its Marion Butler and its Jeter Pritchard but for the past half century it had its "Charlie" Jonas as the guiding light, the hand that pointed the way and led a minority party to the place of respect and leadership that it occupies today.

Mr. Jonas, through his magnetic personality and determined leadership forged a Republican Party in Lincoln County and Piedmont, N. C., that has had to be reckoned with in general elections down through the years since he took over.

Not only in politics, where he served his county, town and district in appointive and elective offices and the State as national committeeman for 15 years, but in church and civic circles and in his chosen profession of law, did he excel and perform outstanding services. As a Methodist layman he was prominent in his own church and in the Western North Carolina Conference and wielded a tremendous influence in church governing bodies. In law he was recognized as one of the outstanding and most influential members of the bar in the State. He served as Lincolnton postmaster, city attorney, member of the city school board, in both houses of the State legislature, a trustee of the University of North Carolina, trustee of Rutherford College, assistant United States attorney, and Member of Congress from the old Ninth District.

He wrought well and left a glorious heritage to his children, a name honored and respected wherever it's heard.

[From the Newton (N. C.) Observer & News-Enterprise of May 27, 1955]

A DISTINGUISHED CITIZEN PASSES

The Observer & News-Enterprise extends sympathy to Congressman CHARLES RAPER JONAS in the death of his illustrious and distinguished father.

Charles A. Jonas was one of the ablest men North Carolina has ever produced. He served in both the House and Senate in the State legislature. Charles A. Jonas, who died Wednesday, and in 1928 was the first Republican from North Carolina to be elected to the Congress of the United States, where he was a leader of national note. He was a statesman in every respect and was admired by men of all political faiths.

It must have been a source of great joy to Charles A. Jonas to see his son, Congressman CHARLES RAPER JONAS following on the high principles and public service that he himself had rendered to his State and his fellow citizens.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the distinguished gentleman from Massachusetts.

Mr. MARTIN. I join with the distinguished gentleman from North Carolina in paying tribute to one of his late constituents, a man who through a useful life left the world better for his having lived. It was my privilege to be associated with Charles A. Jonas in the Halls of Congress and as a member of the national committee. I knew him through those close associations to be a splendid citizen. He never had but one purpose in mind, and that was to do what was best for his country. I recall his faithful service here in the 73d Congress, his great zeal for building a better America and his devotion to the State he represented.

He had a great reputation as a jurist. He was generally recognized as one of the ablest lawyers not only of the South but throughout the country. He was devoted to the Republican Party and gave to that party very generously of his time. I appreciate the great loss his death means to his native State. He was proud of North Carolina and worked for its progress. I express my deepest sympathy to his family and to his beloved son, who serves in Congress with us today with the same distinction and ability. He truly is a worthy son of a fine father. To the other members of his family may I say they have lost a loving father. The State has lost a fine citizen and the country has lost a great American.

Mr. JONES of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, I join today in paying tribute to a man of strong convictions. A man whose contributions to the State of North Carolina have been many. I knew him, of course, as a student at the University of North Carolina. I knew him as a judge, and I knew him as a Congressman, but I knew him best as a citizen of North Carolina whose contributions and efforts were always in the interest of his State and his Nation. I like to remember the early days at the University of North Carolina. I was a young boy at that time. My father was very much interested in debating societies. In those days, the great outstanding institution at that time were the debating societies, Di and Phi. I remember well hearing him in those debates when I was a young man of some 10 or 12 years of age. Throughout his life, he carried with him the convictions he had while he was in college, and his contribution, as I have said, has been great to his State. I am sure that his son, who is here today, is proud of the fact that he today is here following in his father's footsteps. If his father were living, I know that he would feel that his district is in competent hands, being represented by a man who has made an outstanding record not only here in this House of Representatives but at the institution which his father loved so well. He contributed and took an interest in his alma mater, the University of North Carolina, as long as he lived. While it is not known here on the floor of the House so well, Charlie who has followed in his footsteps here in Congress was president of the student body of the university, which is a very high honor, and an honor which is very much sought after, and something that is remembered long after the student leaves the university. His father was a man who regarded his family life as the most important and No. 1 interest, and as a citizen his family life was always impressive. He was a man whom we in North Carolina all loved and we do honor to his memory today.

Mr. JONES of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, I wish to associate myself with the well deserved tribute being paid to Mr. Jonas, a former Member of the House of Representatives from the State of North Carolina. He was truly a fine citizen and an outstanding North Carolinian. He loved his State. He loved to serve his State. He loved to serve his country and his people. He was a truly fine Christian man and an able lawyer. I am proud of the fact that I had the opportunity to know him personally when he was here in Washington. It so happened that he, a Member of the Congress, and I at that time, served on the Board of Governors of the North Carolina Society.

We met on one occasion when the society was tremendously in debt. His philosophy was instead of signing a joint note that each one pay his part. That was his philosophy in life, that each man play his part and give to society and give to whatever the task was his part of the job; this he did.

He was a fine, splendid gentleman, and all who knew him were proud to have the pleasure of saying that they were happy to be associated with him.

To his family and those whom he leaves behind, I express my deep sorrow.

Mr. JONES of North Carolina. I yield to the gentleman from North Carolina [Mr. SHUFORD].

Mr. SHUFORD. Mr. Speaker, I wish to join my colleagues in paying tribute to a former Member of this body, Hon. Charles Andrew Jonas, who died in his native State of North Carolina May 25, 1955. He represented the old Ninth Congressional District in the 71st Congress.

I never knew Mr. Jonas personally but his magnificent record and reputation of service to others is known far and wide. Diligent in his work and affable in his demeanor he was an effective public servant and filled every office entrusted to him with distinction. He loved the State in which he was born and reared and worked unceasingly for its growth and advancement. Truly he was a great citizen. His death will be sorrowfully felt by all who knew him and by those who benefited by his good influence.

Mr. Jonas is survived by his wife; a daughter, Mrs. L. T. Gibson, and two sons, Donald, and the Hon. Charles Raper Jonas, a close and warm friend of mine, and a distinguished Member of this Congress, representing the 10th Congressional District which is composed of some of the counties formerly represented by his father. He is also survived by four grandchildren, Eric and Alice, children of Donald; and Charles Raper, Jr., and Richard Elliott, children of the Honorable Charles Raper Jonas.

To the family I extend my deepest sympathy.

Mr. JONES of North Carolina. I yield to the gentleman from North Carolina [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I desire to take this opportunity to join with my colleagues in paying brief but very sincere tribute to the character, life, and public service of the late Charles A. Jonas, ex-Member of the United States House of Representatives and father of my distinguished colleague, CHARLES R. JONAS.

Mr. Jonas was a man possessed of the highest attributes of Christian character and all of the sterling qualities of manhood which were reflected in his demeanor at all times. His high-minded sense of duty to public service, his unselfishness and untiring efforts in the interest of the people of his State and country were recognized by all who knew him.

Mr. Jonas practiced his chosen profession of law in the county of his birth and during his career he held many public offices of trust including that of city attorney, several terms in both Houses of the General Assembly of North Carolina, member of the board of trustees of the University of North Carolina, and United States attorney for the western district of North Carolina, as well as serving as a Member of the House in the 71st Congress of the United States.

A life such as his cannot end without a sense of loss to the people of his home town, State, and Nation, but in a very real sense he had so far completed his work that it might truly be said of him that he had fought the good fight and finished his course.

His memory will remain as a choice possession for his entire family and for a multitude of friends who knew and loved him.

Mr. JONES of North Carolina. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I rise to join in the tribute that is being paid to the memory of a great man, Charles A. Jonas, of North Carolina. It was my privilege to know Mr. Jonas for nearly 30 years, and during that time to call him my friend. While I did not share the pleasure of serving in Congress with Mr. Jonas, I did serve with him for many years on the Republican National Committee, of which he was one of the outstanding members.

Charles A. Jonas was a man who believed in the two-party system. He supported his party loyally and well, yet in every instance whenever the action so required he placed the welfare of his beloved State and of his country ahead of that of his party.

He has left behind him a wonderful family, and a very distinguished son, who has followed him into the Halls of the Congress of the United States and who serves here now with the same distinction with which his father served.

Mr. Jonas has left his son and his family the priceless heritage of a good name, and to those who knew him and the thousands who called him friend, many precious memories.

Mr. KEATING. Mr. Speaker, I desire to join in the tribute today to former Representative Charles A. Jonas, and in the expressions of sympathy to our distinguished colleage, his illustrious son, who now represents the 10th District of North Carolina. Those of us who have served here with CHARLIE JONAS have come to appreciate his sterling qualities of character and his great ability, which he so generously and unselfishly employs without stint on behalf of his district, his State, and the Nation. While it was not my privilege to know the father, the qualities which shine so brightly in the son furnish the strongest possible evidence regarding the outstanding qualities of the father.

Mr. JONAS. Mr. Speaker, on behalf of my mother and all of the other members of our family, and speaking, of course, for myself, I wish to express profound thanks to my colleagues who have just spoken. These tributes to the memory of my father have touched me deeply and I am finding it difficult to express in words the appreciation I feel for all that they have had to say.

Those who have experienced the loss of a loved one will agree that a word of sympathy from a friend can mean a great deal at such a time. I am very grateful to my friends who have spoken of my father this afternoon.

My father lived a full and useful life and, while of course we all hated to give him up, it is consoling to realize that he left to the people who honored him on so many occasions a record of public service, and left to his children the heritage of a name honored and respected wherever it was known. That is a legacy far more important than any amount of material wealth.

To my colleagues who have spoken today, and to the many who have expressed their sympathy privately during these last few days, I say thank you from the bottom of my heart.

THE CLASP OF FRIENDSHIP BETWEEN NORWAY AND SWEDEN

The SPEAKER. Under the previous order of the House, the gentlewoman from Minnesota [Mrs. KNUTSON] is recognized for 5 minutes.

Mrs. KNUTSON. Mr. Speaker, 50 years ago today in June 1905, a great example of friendship and peace was revealed to the world. That example of Norway and Sweden settling a potential dispute, not by fire and arms, but in peace and harmony, is a beacon to a restless world. Fifty years later, two prime ministers speak from the same platform built on the boundary line of their nations, their hands still clasped in peace. I feel a teeming satisfaction at the bond on trust so well placed against strains of distemper that could easily prevail. This day commemorates the peaceful dissolution of the union between Norway and Sweden which had lasted from 1914.

First, my experience in Minnesota is of two Scandinavian peoples developing a community of respect amongst themselves as well as among other people. Attending the same schools has brought understanding of each other. Friendly bantering indicates the degree of congeniality. Norsemen have intermarried with Swedish girls and Swedish girls with Norsemen. They even entertain each other. Norwegian sons partake of Swedish smorgasbords. Swedish families reciprocate by enjoying Norwegian lutefisk and lefse on holidays. Even colleges in Minnesota are so well mixed a Swedish school is not untouched, and Norwegian schools are full of Swedes.

Second, Scandinavians in their mother countries have learned to cooperate democratically for mutual benefit. Recent actions have brought them closer together than at any time in the past half-century. Since mid-1954 there has been a common labor market in Scandinavia. Workers in search of jobs can wander freely across frontiers and compete on equal terms with natives.

Travel barriers are gone. They are free to travel in one another's countries without visa-stuffed booklets. Nordics are even thinking of partially dropping their barriers to outsiders. A single port-of-entry system is under consideration. Under it, foreigners would go through the customs only once and would then be free to roam the area as though it were a single unified nation.

Trading laws and commercial regulations have been made nearly uniform in order to assist across-borders marketing. They have mutual feelings. Business and government leaders in all three nations grumble about the way they are treated by stronger countries. All are low-tariff advocates of free trade.

A perfect example of their profitable teamwork is seen in the Scandinavian airlines. The Scandinavian airline system is in the novel position of having three parents. They pooled money, Sweden about three-sevenths, Norwegian and Danish companies about two-sevenths each. But each has equal number of votes in the control. This made Scandinavian airlines one big airline capable of planning big and thinking big in terms like its new polar route between Scandinavia and Los Angeles. Next year Viking pioneering will cut 2,500 miles off the present route to Tokyo.

They even cooperate militarily. Sweden and Norway agreed this spring to let Sweden use Trondheim, Norway, in event of a Soviet blockade of Sweden. A new year-round highway will be built and the railway will be improved. Sweden will have an oil harbor at Trondheim, with storage tanks in rock shelters in the fjords.

Such endeavors indicate the truly good will of these friendly countries.

Third, democracy has been the cornerstone of their civilized approach that can well dedicate a model for other people. Norway did not fight militarily for her freedom, and she did not beligerently throw away her past. Her monarchy was not discarded through revolt of the people, rather it was retained through a vote of the people. King Haakon VII became a "Saga King." The monarchy remained the symbol of the realm. Yet Norwegians elected their officials and their representatives, and they elected their king.

During the negotiations which led to the dissolution of the Union some leading Norwegians feared a vote of the people might refuse a king. They wanted to dispense with votes and enthrone the king. Here is one of the interesting chapters in history. Prince Carl of Denmark, now King Haakon of Norway, refused the throne unless he was approved by a vote of the people. One person beseeched the king not to do so. He even pointed to Bjornstierne Bjornson, the great poet and patriot who would support him. However, King Haakon replied, "Yes, that is what you say now, but in 20 years time Bjornstierne Bjornson will be dead, and you too will be dead. Then the Norwegians may come to me and say, "What are you doing here?" King Haakon is the only king in history to be elected by the people.

Truly, the clasp of friendship between Norway and Sweden is a monument for us all.

SPECIAL ORDERS GRANTED

Mr. FLOOD asked and was given permission to address the House for 45 minutes on Thursday next, following the legislative business of the day and any special orders heretofore entered.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that a special order heretofore entered on behalf of the gentleman from New York [Mr. POWELL] for Thursday, June 9, be vacated and in lieu thereof that the gentleman from New York may address the House for 30 minutes on tomorrow, June 8, following the legislative program and previously entered special orders.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. HOLTZMAN.

Mr. REUSS and to include extraneous matter.

Mr. DODD and to include extraneous matter.

Mr. CELLER in four instances.

Mr. ASPINALL and to include extraneous matter.

Mr. MULTER.

Mr. DONOHUE and to include extraneous matter.

Mr. SCHERER.

Mr. LIPSCOMB and to include extraneous matter.

Mr. THOMSON of New Jersey and to include extraneous matter.

Mr. HOSMER in six instances and to include extraneous matter.

Mr. RADWAN and to include extraneous matter.

Mr. MCDOWELL and to include extraneous matter.

Mr. PRESTON (at the request of Mr. MCCORMACK) and include a speech recently made by Speaker RAYBURN.

Mr. RIVERS and include two separate speeches by Admiral Radford, Chairman of the Joint Chiefs of Staff.

Mr. RAYBURN and to include an address he delivered to the graduating class of the University of Texas on June 4.

Mr. SHELLEY.

Mr. SCOTT.

Mr. FEIGHAN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 107. An act to provide for the conveyance of a portion of the Fort Devens Military Reservation, Mass., to the Commonwealth of Massachusetts; to the Committee on Armed Services.

S. 309. An act for the relief of Rosette Sorge Savorgnan; to the Committee on the Judiciary.

S. 2078. An act to permit a retired officer of the Navy to be employed in a command status in connection with Antarctic expeditions; to the Committee on Armed Services.

S. 2127. An act to amend the Small Business Act of 1953; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3825. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H. R. 4294. An act to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces;

H. R. 4725. An act to repeal sections 452 and 462 of the Internal Revenue Code of 1954.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 153. An act to amend the Rural Electrification Act of 1936.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 33 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 8, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

868. A letter from the Chairman, Public Utilities Commission of the District of Columbia, transmitting the 42d Annual Report of the Public Utilities Commission of the District of Columbia for the year ended December 31, 1954, pursuant to paragraph 20 of section 8 of an act approved March 4, 1913; to the Committee on the District of Columbia.

869. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to amend the Fair Labor Standards Act of 1938, as amended"; to the Committee on Education and Labor.

870. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended"; to the Committee on Interstate and Foreign Commerce.

871. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956"; to the Committee on Armed Services.

872. A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill to prohibit in any lawsuit or action for damages the use and admission as evidence of investigations by the military departments of aircraft accidents conducted in the interest of air safety"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. COLMER: Committee on Rules. House Resolution 263. Resolution for consideration of H. R. 4663, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Trinity River division, Central Valley project, California, under Federal reclamation laws; without amendment (Rept. No. 732.) Referred to the House Calendar.

Mr. MORRISON: Committee on Post Office and Civil Service. S. 35. An act to permit the transportation in the mails of live scorpions; with amendment (Rept. No. 733). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 692. A bill to authorize the Postmaster General to provide for the use in first- and second-class post offices of a special canceling stamp or post-marking die bearing the words "Pray for peace"; with amendment (Rept. No. 734). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 6678. A bill to increase the annual salaries of the Chairman and members of the Board of Directors of the Tennessee Valley Authority; to the Committee on Public Works.

By Mr. BONNER:

H. R. 6679. A bill authorizing the construction of two nuclear-powered merchant ships to promote the peacetime application of atomic energy, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BURDICK:

H. R. 6680. A bill to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof; to the Committee on the District of Columbia.

By Mr. CELLER:

H. R. 6681. A bill to amend sections 323, 334, 335, 336, 337, and 376 of the Bankruptcy Act approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

H. R. 6682. A bill to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the law relating to the record on review or enforcement of such orders and for other purposes; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 6683. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large retail establishments whose activities affect interstate commerce, and for other purposes; to the Committee on Education and Labor.

By Mr. DORN of New York:

H. R. 6684. A bill to provide that marine schools established under the provisions of the act of March 4, 1911, which prohibit participation in religious worship on their premises shall not receive Federal aid; to the Committee on Merchant Marine and Fisheries.

By Mr. DORN of South Carolina:

H. R. 6685. A bill to alter certain bases for disability pension awards; to the Committee on Veterans' Affairs.

By Mr. FALLON:

H. R. 6686. A bill providing for a preliminary examination and survey by the Secretary of the Army for the purpose of controlling water chestnut infestation in the upper Chesapeake Bay tributaries; to the Committee on Public Works.

By Mr. FERNÓS-ISERN:

H. R. 6687. A bill to extend the benefits of the Watershed and Flood Prevention Act to Alaska, Hawaii, and Puerto Rico; to the Committee on Agriculture.

By Mr. HYDE:

H. R. 6688. A bill to provide for the appointment of a district judge for the district of Maryland; to the Committee on the Judiciary.

By Mr. KEAN:

H. R. 6689. A bill to provide for carryback and carryover of foreign tax credit; to the Committee on Ways and Means.

By Mr. MACHROWICZ:

H. R. 6690. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large retail establishments whose activities affect interstate commerce, and for other purposes; to the Committee on Education and Labor.

By Mr. MOSS:

H. R. 6691. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H. R. 6692. A bill to authorize the transfer to the Department of Agriculture, for agricultural purposes, of certain real property in St. Croix, V. I.; to the Committee on Interior and Insular Affairs.

By Mr. PATTERSON:

H. R. 6693. A bill for the establishment of a Commission on Atomic Defense; to the Joint Committee on Atomic Energy.

By Mr. RAINS:

H. R. 6694. A bill to aid in the provision of housing needed at military installations; to the Committee on Banking and Currency.

By Mr. REECE of Tennessee:

H. R. 6695. A bill to authorize the United States of America acting by and through Tennessee Valley Authority, a corporation created by and existing under an act of Congress known as the Tennessee Valley Authority Act of 1933, as amended, to convey land in Hamblen County, Tenn., to the mayor and aldermen of the town of Morristown, a municipal corporation in Hamblen County, Tenn., organized and existing under the laws of the State of Tennessee; to the Committee on Public Works.

H. R. 6696. A bill to assist the States in the removal of adult illiteracy by the development and maintenance of special programs of basic elementary education for adults, and for other purposes; to the Committee on Education and Labor.

By Mr. RHODES of Pennsylvania:

H. R. 6697. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large retail establishments whose activities affect interstate commerce, and for other purposes; to the Committee on Education and Labor.

By Mrs. ROGERS of Massachusetts:

H. R. 6698. A bill to provide a further period for presuming service connection in the case of veterans suffering from Hansen's disease (leprosy); to the Committee on Veterans' Affairs.

By Mr. ROOSEVELT:

H. R. 6699. A bill to provide research and technical assistance relating to air-pollution control; to the Committee on Interstate and Foreign Commerce.

By Mr. TUMULTY:

H. R. 6700. A bill to provide that vessels engaged in the coastwise trade of the United States pass through the Panama Canal without payment of tolls; to the Committee on Merchant Marine and Fisheries.

H. R. 6701. A bill to amend section 501 (a) of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. DODD:

H. J. Res. 336. Joint resolution proposing an amendment to the Constitution with respect to the admission of new States as sovereign States of the United States; to the Committee on the Judiciary.

By Mr. FJARE:

H. Con. Res. 154. Concurrent resolution to study the question of dispersion and relocation in the interior of the country of industries and facilities essential to national defense and security in case of atomic attacks; to the Joint Committee on Atomic Energy.

By Mr. SPRINGER:

H. Res. 264. Resolution favoring a reduction of armaments with a view to improving world living standards; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H. R. 6702. A bill for the relief of Anastacio de Vega; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 6703. A bill to authorize the sale of certain land in Alaska to Victor Power, of Juneau, Alaska; to the Committee on Interior and Insular Affairs.

By Mr. CRAMER:

H. R. 6704. A bill for the relief of Luciano Grower; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 6705. A bill for the relief of Dr. Fu-Chuan Chao (also known as Fuk Kun Chiu) and his wife, Chui Lai Yuk (also known as Lai Yuk Chao); to the Committee on the Judiciary.

By Mr. GARMATZ:

H. R. 6706. A bill for the relief of Gay Street Corp., Baltimore, Md.; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 6707. A bill for the relief of Thomas F. Milton; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 6708. A bill to exempt the National Conference on Citizenship from certain taxes; to the Committee on Ways and Means.

By Mr. PERKINS:

H. R. 6709. A bill for the relief of Harry M. Caudill; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6710. A bill for the relief of Lagoureta Evangelos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

307. By Mr. BUSH: Petition of members of Kellenbach-Meade Barracks No. 163, Veterans of World War I, Williamsport, Pa., urging favorable action on H. R. 4264 and H. R. 4439; to the Committee on Veterans' Affairs.

308. By Mr. DODD: Petition of Mrs. Norma Burgess Moore, president of the Woman's Christian Temperance Union of Connecticut, Inc., and 350 others of the First Congressional District of Connecticut, urging Congress to get alcoholic beverage advertising off the air and out of the channels of interstate commerce and thus protect the people and the rights of States to prevent advertising of commodities which have been declared unlawful by the rights of local option granted them under State law; to the Committee on Interstate and Foreign Commerce.

309. By Mr. FORAND: Petition of Simon Charon and 53 other members of the Amalgamated Clothing Workers, CIO, Woonsocket, R. I., urging the Congress of the United States to enact during this session a Federal minimum wage of $1.25 per hour; to the Committee on Education and Labor.

310. By Mr. HAYS of Arkansas: Petition of Jeff Burnett, secretary, Arkansas Bankers Association, Little Rock, Ark., urging amendments to the Federal tax code to remove favoritism now enjoyed by cooperative and mutual competitors of commercial banks; to the Committee on Ways and Means.

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 distinguished 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 commission 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 thouhgtful 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 fiance 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 things 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, Allesandro 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 permitted 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 Galilea.

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	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	760	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 allout 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 marketplaces.

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 pl_ce 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. Theirs 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. SCHOEPPEL
OF KANSAS
IN THE SENATE OF THE UNITED STATES

Tuesday, June 7, 1955

Mr. SCHOEPPEL. 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. SCHOEPPEL. 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. SCHOEPPEL. 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 satisfactory 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 investments 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 construction 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, fisca. 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] 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
Alcova 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 ful. 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 subpena 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-seventeenths 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 of 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 millenium 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 programing 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 programing 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 would 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, Washington, 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 oftentimes 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 transcendant 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 is 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 permament 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 cooperation 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 Antitrust 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 Acquisitions, 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. Rostov 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 Thye 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 megalolatry, 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 remainds 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 continuingly 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 realinement of the international power situation in Europe and that the major key in this alinement 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 splurge 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. Elkdom 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 Elkdom.

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 Elkdom 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 Elkdom 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 Elkdom, 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 question 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 upheavel. 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-Inguish, 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 humanity 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, it 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 discusisons 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 advertising 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 semifabricated 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 fundamenal 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's 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 executively. 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 horribles 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—yea, 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